SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN FRANCISCO

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COMPLAINT

STYLEFORM IT VS. FACEBOOK, INC. ET AL

001C06559861

Instructions:
Please place this sheet on top of the document to be scanned.

SUMMONS
(CITACION JUDICIAL)

NOTICE TO DEFENDANT:
(AVISO AL DEMANDADO):

FACEBOOK, INC., a Delaware corporation,
(See Attachment A for additional defendants)

YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):

STYLEFORM IT, a Swedish sole
proprietorship

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (*www.courtinfo.ca.gov/selfhelp*), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (*www.lawhelpcalifornia.org*), the California Courts Online Self-Help Center (*www.courtinfo.ca.gov/selfhelp*), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of $10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case.

¡AVISO! Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. AVISO: Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de $10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:
(El nombre y dirección de la corte es): San Francisco Superior Court

400 McAllister Street
San Francisco, CA 94102

CASE NUMBER:
(Número del Caso): **CGC-18-571075**

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):
Stuart G. Gross, Gross & Klein, The Embarcadero, Pier 9, Suite 100 San Francisco, CA 94111, (415) 671-4628

DATE: **NOV 0 2 2018** **DEPUTY CLERK** Clerk, by _____ , Deputy
(Fecha) *(Secretario)* BOWMAN LIU *(Adjunto)*

(For proof of service of this summons, use Proof of Service of Summons *(form POS-010).)*
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

[SEAL]

NOTICE TO THE PERSON SERVED: You are served
1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of *(specify):*

3. ☐ on behalf of *(specify):*

   under: ☐ CCP 416.10 (corporation)   ☐ CCP 416.60 (minor)
   ☐ CCP 416.20 (defunct corporation)   ☐ CCP 416.70 (conservatee)
   ☐ CCP 416.40 (association or partnership)   ☐ CCP 416.90 (authorized person)
   ☐ other *(specify):*
4. ☐ by personal delivery on *(date):*

BY FAX
ONE LEGAL LLC

Page 1 of 1

ATTACHMENT A to SUMMONS   CGC-18-571075

DEFENDANTS

FACEBOOK, INC., a Delaware corporation;

FACEBOOK IRELAND LTD., an Irish limited liability company;

MARK ZUCKERBERG, an individual;

CHRISTOPHER COX, an individual;

JAVIER OLIVAN, an individual;

SAMUEL LESSIN, an individual;

MICHAEL VERNAL, an individual;

ILYA SUKHAR, an individual; and

DOES 1 through 50, inclusive,

Stuart G. Gross (#251019)
Benjamin H. Klein (#313922)
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Attorneys for Plaintiff,
STYLEFORM IT,
a Swedish sole proprietorship

BY FAX
ONE LEGAL LLC

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN FRANCISCO

STYLEFORM IT, a Swedish sole proprietorship; Plaintiff, v. FACEBOOK, INC., a Delaware corporation; FACEBOOK IRELAND LTD., an Irish limited liability company; MARK ZUCKERBERG, an individual; CHRISTOPHER COX, an individual; JAVIER OLIVAN, an individual; SAMUEL LESSIN, an individual; MICHAEL VERNAL, an individual; ILYA SUKHAR, an individual; and DOES 1 through 50, inclusive, Defendants.	Case No. **CGC-18-571075** **COMPLAINT OF PLAINTIFF STYLEFORM IT FOR:** 1. BREACH OF CONTRACT 2. CONCEALMENT 3. INTENTIONAL MISREPRESENTATION 4. NEGLIGENT MISREPRESENTATION 5. INTENTIONAL INTERFERENCE WITH CONTRACT 6. INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC RELATIONS 7. NEGLIGENT INTERFERENCE WITH PROSPECTIVE ECONOMIC RELATIONS 8. VIOLATION OF BUSINESS AND

PROFESSIONS CODE §§ 17500
9. VIOLATION OF BUSINESS AND
    PROFESSIONS CODE §§ 16720
10. VIOLATION OF BUSINESS AND
    PROFESSIONS CODE §§ 17200

JURY TRIAL DEMANDED

Plaintiff, Styleform IT ("Styleform" or "Plaintiff"), alleges as follows based on information and belief, except where based on personal knowledge:

I. OVERVIEW OF THE FACEBOOK PLATFORM EXTORTION SCHEME

1. This matter concerns a series of fraudulent and anti-competitive schemes designed and effectuated by Defendant Facebook, Inc.'s ("Facebook") Chief Executive Officer Mark Zuckerberg ("Zuckerberg"), with the intention of deliberately misleading tens of thousands of software companies, including Styleform, (collectively, "Developers") into developing applications that generated substantial user growth and revenues for Facebook in order to help it grow from 20 million active users in 2007 to approximately 2.23 billion by the second quarter of 2018.

2. From May 2007 until at least May 2015, Facebook executed a series of malicious anti-competitive bait-and-switch schemes in which it engaged in a campaign of misrepresentations, misleading partial disclosures, and false inducements to Developers, including Styleform, to induce them to invest capital and resources in building applications on Facebook's operating system, Facebook Platform ("Facebook Platform Extortion Scheme"). These misrepresentations and misleading partial disclosures were made in the form of official statements, announcements, videos and policies announced by Zuckerberg and other Facebook executives and were posted by Facebook on its official website, as well as training sessions, conferences, hackathons and other events. In sum and substance, it was thereby represented that Developers would have the opportunity, *inter alia*, to build a business and distribute their applications organically, to compete on a level and fair playing field, and to access the APIs offered in Facebook Platform on terms equal to all other Developers and to Facebook itself. These representations and misleading partial disclosures around equal access and a level playing field were made repeatedly over seven years in private and public settings, such as official press releases and announcements on Facebook's website, Developer training sessions managed by Facebook employees, and conferences, such as Facebook's annual Developer conference, F8.

3. These misrepresentations and misleading partial disclosures were directed at Developers, including Styleform, were widely known in the Developer community, and were

1   intended by Defendants to be relied on by Developers, including Styleform. Styleform relied

2   upon these misrepresentations and misleading partial disclosures when deciding whether to build

3   its business on Facebook Platform.

4   4.   These misrepresentations and misleading partial disclosures fraudulently induced

5   tens of thousands of Developers, including Styleform, to enter into identical adhesion contracts

6   with Facebook that placed a host of costly obligations and conditions on Developers in exchange

7   for access to Facebook Platform's software APIs (known as the "Graph API," "Open Graph," or

8   "Social Graph"). Access to the Graph API enabled Developers to build more useful applications

9   that generated increased user engagement and revenues for both Developers and Facebook while

10   giving consumers a choice as to which companies would meet their needs for various products

11   and services. They also offered the opportunity for Developers to grow their applications

12   organically due to features Facebook offered that made Facebook users prospective customers of

13   Developer applications without requiring that the Developer purchase advertisements. This

14   organic growth Facebook promised Developers on its Platform could be described as the Internet-

15   equivalent of word-of-mouth business.

16   5.   However, Facebook at no time provided access to the Graph API on an equal

17   basis, but rather offered large Developers unfair competitive advantages and special access to

18   data in repeated violation of user privacy and its public commitment to a level competitive

19   playing field, in exchange for unrelated advertising purchases or other in-kind consideration at the

20   expense of small or new Developers, like Styleform, that were attempting to compete in

21   Facebook Platform. Further, from 2007 through 2015, Facebook intentionally made it more

22   difficult for small Developers to continue to maintain their products in a manner that was not

23   cost-prohibitive, while giving larger Developers who made unrelated advertising purchases from

24   Facebook special access to APIs that made it less costly for them to release and maintain the very

25   same products and features.

26   6.   At Zuckerberg's personal direction, as early as 2009, Facebook used Facebook

27   Platform as a weapon to gain leverage against competitors in the Developer community in a host

28   of ways by threatening any company that crossed Facebook's radar that it would shut down its

access to publicly available APIs unless: (1) the Developer, itself, was sold to Facebook for a purchase price below its fair market value; (2) the Developer purchased large amounts of unrelated advertising from Facebook; (3) the Developer transferred intellectual property over to Facebook; and/or (4) the Developer fed all of its data back to Facebook, where it would then be available to the Developer's competitors, placing the Developer's business at great risk.

7. At the personal direction of Zuckerberg, by 2009, Facebook took full advantage of its perverse incentives in serving as both the referee of, and largest participant in, one of the world's largest software economies. By making a series of misleading partial disclosures and misrepresentations, Facebook irreparably damaged tens of thousands of Developers in order to unjustly enrich Defendants. Further, in 2009, Facebook executives discussed backing down publicly on their promise of a level competitive playing field. They decided internally to back down on these promises, but concealed this decision from Developers, including Styleform, and continued to misrepresent Facebook Platform as a level competitive playing field.

8. In 2011 and 2012, Zuckerberg extended this concealment campaign and decided it would be in Facebook's best interest to no longer compete with many Developers and to, instead, shut down their businesses by restricting their access to dozens of the most popular Platform APIs, including the full friends list, friends permissions, newsfeed APIs, and other endpoints ("Graph API endpoints"). Styleform's business and the business of many Developers depended on these APIs. Working in concert with other Facebook executives and employees and other large Developers that were close partners, Zuckerberg implemented a plan to deny access to many applications on Facebook Platform on the primary or exclusive basis that these applications were competitive with current or future products offered by Facebook or Facebook's close partners. Defendants' anti-competitive conduct was undertaken in concert with other large Developers to oligopolize various software markets that Defendants continued to represent would operate on fair and equal terms and a level competitive playing field.

9. Specifically, in 2011 and 2012, Zuckerberg held discussions with Facebook executives Chris Cox, Javier Olivan, Samuel Lessin, Sheryl Sandberg, Andrew Bosworth, Colin Stretch and others in which Zuckerberg made a decision to weaponize Facebook Platform using a

policy called "Reciprocity," which included Zuckerberg's decision to shut down most

Developers' access to the Graph API endpoints, upon which Styleform's business depended.

Zuckerberg's motivations for his decision to create a Reciprocity Policy and shut down public

access to Graph API were two-fold: (1) restrain competition in a wide range of software markets

to make room for new products from Facebook and its close partners; and (2) shut down all

mechanisms for apps to grow organically in order to force apps to prop up Facebook's new

mobile advertising business or else Facebook would shut them down. The first anti-competitive

motivation helped ensure that no new competitive threat could ever become as big as Facebook.

The second extortion motivation ensured that Facebook could make the transition from desktop

computer advertising to mobile phone advertising without experiencing a significant drop in

revenues in order to turn around its collapsing business.

10. Facebook's internal definition of the Reciprocity Policy required that a Developer

provide to Facebook anything that Facebook in its own discretion deemed valuable, including

unrelated advertising purchases, feeding data back to Facebook, ownership interests in the

Developer's company, intellectual property rights, or other valuable but unrelated consideration

in order to continue to maintain access to the publicly available Graph API endpoints. If

Developers refused to "reciprocate," Facebook would shut off their access to data and/or build its

own scraping tools to pull data from the Developer's website or app directly. The practical effect

of the Reciprocity Policy for many Developers was that they would be shut out of Facebook

Platform, and this was Zuckerberg's intention in implementing the Reciprocity Policy.

11. Facebook published an external version of its Reciprocity Policy in late January

2013 on its public website but intentionally, maliciously, willfully and/or negligently opted not to

disclose that this policy entailed the privatization of over 50 Graph API endpoints that Facebook

for years had represented, and for at least two more years would continue to represent, as

available publicly on equal and fair terms. Facebook further did not disclose when publishing this

policy that Facebook had already begun enforcing these anti-competitive data restrictions and had

active plans to expand the data restrictions to many Developers, including Styleform. Facebook's

partial disclosure of its Reciprocity Policy was designed to conceal full disclosure of Facebook's

1 bait-and-switch scheme while enabling Facebook to have a pretext to begin enforcing the scheme.

2 Had Facebook made a full disclosure that the Reciprocity policy entailed removal of the Graph

3 API endpoints from the public Platform, then Styleform would not have invested in or continued

4 to invest in its business.

5   12.   Facebook's failure to make a full disclosure of the Reciprocity Policy was an

6 intentional act to ensure the policy was as vague as possible. The vagueness of the policy

7 permitted Defendants to shut down any company under a policy-based pretext for any arbitrary or

8 punitive reason Defendants desired.

9   13.   Once Defendants decided to remove competing Developers' access to the Graph

10 API, Zuckerberg personally maintained an ever-growing list of competing Developers that only

11 he could authorize blacklisting from the Graph API. Once a Developer was blacklisted from the

12 Graph API, any applications the Developer built could no longer use any of the blacklisted APIs

13 that Facebook purportedly provided on fair and neutral terms to all Developers. Blacklisted APIs

14 often included the Graph API endpoints, including the full friends list, friends permissions and

15 newsfeed APIs. Facebook made misleading partial public disclosures that certain blacklisted

16 Developers had their API access restricted but claimed these restrictions were due to clear policy

17 and privacy violations when in no fact no legitimate policy or privacy violation had occurred. In

18 numerous other cases, Facebook manipulated its own policy as a pretext to enforce anti-

19 competitive data restrictions while concealing the announcement of these restrictions. Had

20 Facebook made a full disclosure that Developers were being blacklisted because Facebook

21 considered them competitive, then Styleform would not have invested in or continued to invest in

22 their businesses.

23   14.   Zuckerberg's blacklist first contained only a handful of large competitors in 2011,

24 but then was quickly expanded in 2012 to include major messaging applications, professional

25 services, and photo or video sharing applications. By 2013, the blacklist included contact

26 management apps, reputation apps, gifting apps, sharing economy apps, utility apps, file

27 repository apps, payment apps, birthday reminder apps, photo and video apps, calendar apps,

28 lifestyle apps, and health and fitness apps. Facebook at various times shut down data access to

apps in these categories and made misleading partial disclosures and/or misrepresentations that these apps were in violation of policies. However, many of these apps violated no published policy. Rather, policy was used as a pretext for anti-competitive data restrictions. Had Facebook fully disclosed its reasons for shutting down access to these apps in its public statements, Styleform would not have invested in or continued to invest in their businesses. Facebook's misleading partial disclosures and/or misrepresentations around its reasons for shutting down API access to these app categories, made at various times from 2012 through 2015, greatly enriched Facebook by making room for its own products on mobile phones – as a result, four of the five most popular apps worldwide across all major smartphone platforms are now Facebook-owned apps (see https://thenextweb.com/apps/ 2017/04/18/facebook-downloaded-app-netflix/).

15. During this time Facebook maintained a public "size policy" whereby Developers that acquired large numbers of users could be potentially be subject to rate limiting or data throttling restrictions, which is standard in the industry. However, the "size policy" also included a secretive but effective component, undisclosed to Styleform, whereby if a company became too large and successful, it would go on Zuckerberg's blacklist and have its API access shut off. The "size policy" published on the Facebook website would have been materially qualified if Facebook had fully disclosed its own internal definition of the "size policy" that was different from the public policy. Facebook employees would even encourage Developers to continue to rely on certain APIs or avoid telling the Developer its access would be shut off in order to induce the Developer to grow in reliance on Facebook with full knowledge that once the company obtained a certain size, Facebook would shut the Developer down. Facebook thus made a misleading partial disclosure that it was maintaining a fair and neutral platform but failed to qualify this disclosure with material information that the size of a company would affect Facebook's position on whether to remain fair and neutral. Had Facebook shared all material facts related to its size policy, Styleform would never have invested or continued to invest in building its business.

16. Starting in mid-to-late 2012, Zuckerberg, Olivan, Cox and Lessin began communicating the decision to restrict Graph API endpoints in order to restrain competition for

Facebook's new products and to prop up Facebook's new mobile advertising business to senior

executives on the Platform team, including Michael Vernal (VP Engineering for Platform) and

Doug Purdy (Director of Engineering for Platform), who were tasked with implementing the

scheme. From late 2012 to mid-2013, Vernal and Purdy made additional senior members of the

Platform team aware of the scheme, including Vladimir Federov (Senior Platform Engineering

Leader), Eddie O'Neil (Product Manager for Platform), Ime Archibong (Head of Platform

Partnerships), Simon Cross (Product Manager for Platform), Jackie Chang (Senior Partnerships

Leader), Ilya Sukhar (Head of Developer Products), and other senior members of the Platform

and Developer teams. At no time did any Facebook employees communicate Defendants' scheme

publicly or disclose the scheme directly to Styleform.

17.   Starting in late 2012 and throughout 2013, at Zuckerberg's instruction, Vernal,

Purdy, O'Neil, Sukhar and others began implementing Zuckerberg's decision to restrict API

access for anti-competitive reasons under the Reciprocity Policy framework. The Platform team,

managed by Vernal, was working on a public announcement of these changes to be released

before the end of 2012. However, Zuckerberg directed Vernal not to disclose these changes but to

instead extract payments from Developers upon threat of being shut down from the public

Platform APIs. In other words, Zuckerberg directed Vernal to privately and secretly enforce these

changes while continuing to mislead the general public and Developers, including Styleform.

Had Facebook made the public announcement Vernal had planned in late 2012, Styleform never

would have invested in or continued to invest in building its business. By continuing to represent

fairness and neutrality publicly while privately requiring unrelated payments in Facebook's new

advertising product, Mobile App Install Ads, Facebook was able to rapidly accelerate its

transition from desktop computer advertising to mobile advertising, which makes up more than

90% of its revenues today.

18.   In mid-2013, Zuckerberg directed Defendants to expand their efforts at extracting

payments from Developers upon threat of being shut down, eventually entering into over 5,000

special agreements that provided special access to data that violated user privacy in exchange for

financial consideration from the Developer, typically in the form of a minimum required annual

purchase in Facebook's new Mobile App Install Ads advertising product. Mobile App Install Ads became the fastest growing business in the history of advertising as a direct result of Zuckerberg's concealment and extortion campaign.

19.   Zuckerberg and other Facebook executives and employees actively, intentionally, recklessly, maliciously, oppressively, fraudulently and/or negligently concealed from Developers, the public and certain internal employees this decision to restrict the Graph API, while continuing to make misrepresentations and misleading partial disclosures that enticed Developers to make investments in Facebook Platform until at least 2015, notwithstanding that Facebook had a duty to disclose this material fact that applications relying on Graph API would no longer function and that any investments made by Developers in such applications, particularly after 2011 and 2012, would be irreparably damaged.

20.   Facebook had a duty to disclose for a number of independent reasons, including: its standard adhesion contract which it enters into with all users and Developers (the "SRR" or "Agreement") and which specifies the commercial terms of a Developer's integration; the fact that Facebook and Developers shared confidential and highly sensitive and private personal information of consumers under the Agreement; the fact that Developers were required to share their source code and other confidential intellectual property with Facebook at Facebook's request under the Agreement; and the fact that Facebook made misleading partial disclosures of fact to the public and Developers regarding how it collects, stores, and transmits user data while omitting material facts that would undermine and often contradict its misleading partial disclosures. Facebook's duty to disclose also arises out of the fact that the Agreement is the single most entered-into contract in human history, with over 2 billion people and tens of millions of businesses entrusting Facebook to manage their confidential, personal and private information under the terms of the Agreement, and therefore greatly implicates the public interest.

21.   Beginning in 2011 and continuing until 2015, at Zuckerberg's personal direction, Facebook executives instructed their subordinates to identify categories of applications that would be considered competitive and to develop a plan to remove access to critical APIs necessary for these applications to function, thereby eliminating competition across entire categories of

1   software applications, like the ones Styleform had been developing and maintaining continuously

2   from 2007 through 2015, after Zuckerberg had already decided to restrict access to the Graph API

3   necessary for Styleform's technology to function.

4   22.   Defendants actively, maliciously, oppressively and fraudulently concealed the fact

5   that it would be restricting access to the Graph API endpoints and continued to entice Developers

6   to make such investments for at least two years. Had Defendants disclosed this fact within a

7   reasonable time after making its decision, Styleform would not have made investments of capital

8   and resources in Facebook Platform. Instead, Defendants unjustly enriched themselves through

9   this fraudulent and anti-competitive conduct by enticing investments that generated revenues for

10   Facebook with full knowledge that those investments would be irreparably damaged.

11   23.   Further, while actively suppressing this material information and continuing to

12   entice Developers to invest in building applications for Facebook Platform, Zuckerberg instructed

13   certain Facebook executives to require or encourage their subordinates to engage in a number of

14   collusive and anti-competitive schemes with other large companies. The schemes involved

15   Facebook offering these Developers unfair advantages via private API access in various software

16   markets in exchange for unrelated advertising payments and/or other forms of cash or in-kind

17   consideration that benefited Facebook. In doing so, Facebook and these large Developers held

18   hostage APIs that Facebook previously promised would be available to all Developers on neutral

19   and equal terms.

20   24.   This practice systematically disadvantaged small or new Developers, including

21   Styleform, that had been competing in Facebook's purportedly fair and neutral operating system.

22   Smaller Developers like Styleform could no longer participate in one of the largest application

23   and advertising economies globally, providing an immense advantage to large Developers that

24   combined and conspired with Facebook to control the Graph API that Facebook for years

25   promised would be accessible on equal terms. The conduct of the Facebook executives who

26   participated in these schemes was undertaken in combination and concert with large Developers

27   who benefited from the decision to restrict data access, eliminate competition in various software

28   markets, and make it more difficult for small Developers to maintain their products and grow on

1   Facebook Platform.

2   25.   Finally, beginning in 2013 and coalescing around February 2014, Zuckerberg

3   fabricated and disseminated a fraudulent pro-privacy narrative to mask the deceptive and anti-

4   competitive schemes that Defendants had begun implementing in 2012. Zuckerberg directed

5   Defendants Vernal and Sukhar, along with Doug Purdy, to end the extortion scheme by 2014 or

6   2015 under a purported pro-privacy narrative which was announced publicly as "The New Login

7   and Graph API 2.0" but referred to internally by Defendants as the "Switcharoo Plan." The cover-

8   up was called the Switcharoo Plan because it hid the anti-competitive, privacy-violating scheme

9   behind an unrelated initiative to revamp Facebook Login, which Facebook purported was

10   undertaken to promote user privacy, in order to pull the "switch" on Facebook's competitors.

11   26.   This fabricated pro-privacy narrative centered on the false claim that the APIs

12   being shut off to tens of thousands of smaller Developers were rarely used and/or violated user

13   trust and control over their data. These fabricated reasons for shutting off APIs critical to the

14   functioning of tens of thousands of applications, including Styleform's applications, played no

15   role in the actual decisions made by Zuckerberg and ratified and implemented by other Facebook

16   executives. Further, employees were livid by the scheme when they found out in late 2013 and

17   2014 and many left the company. Before leaving, these employees noted that Facebook was

18   deliberately trying to place the blame on unspecified bad actor Developers for Facebook's own

19   anti-competitive and privacy-violating conduct and that Facebook was succeeding in doing so.

20   27.   Further, once Styleform entered into the Agreement with Facebook, Facebook had

21   a duty to disclose material information, including the fact that Zuckerberg had decided to shut

22   down API access in 2012. Facebook provided notices to Styleform via email many dozens of

23   times from 2012 through 2018, and yet not a single communication from Facebook put Styleform

24   on notice of this material information, making it impossible for Styleform to recoup its

25   investment of time and money. Facebook intentionally withheld and actively concealed this

26   information and only made misleading partial disclosures of this information to which it had

27   exclusive knowledge in order to unjustly enrich Facebook and its executives, mitigate potential

28   legal liability and avoid negative press. Facebook's misleading partial disclosures of material

1 information exclusively in its own possession fraudulently induced Styleform to enter into
2 contract and to continue to contract with Facebook by maintain its products and building its
3 business on Facebook Platform at significant cost to Styleform.
4   28.   Facebook, at Zuckerberg's personal direction, deliberately suppressed material
5 information and shared only partial information in its communications regarding Facebook
6 Platform from 2007 through 2018, and, in particular, during Zuckerberg's April 30, 2014
7 announcement at F8, causing further harm to Styleform in a malicious and fraudulent attempt to
8 cover up Defendants' bait-and-switch schemes. For instance, Zuckerberg partially disclosed that
9 Facebook was versioning the Graph API, but then misrepresented that Developers would be able
10 to choose the version they build against, while concealing material facts Zuckerberg knew at the
11 time contradicted this representation.
12   29.   Defendants conspired with and instructed their subordinates to conspire with other
13 Developers to engage in fraudulent bait-and-switch schemes and repeatedly acted negligently,
14 fraudulently and maliciously in violation of California law to the detriment of consumers and tens
15 of thousands of small Developers, whose investments unjustly enriched Defendants. Defendants'
16 conduct amounts to a classic bait-and-switch tactic barred by California's Unfair Competition
17 Law. Further, Defendants' knowingly false representations and misleading partial disclosures to
18 users and Developers violate California's False Advertising Law. Finally, Defendants'
19 representations for years that Graph API would be offered on fair and neutral terms while secretly
20 tying access to these purportedly public APIs to an unrelated mobile advertising product is a
21 textbook tying scheme in violation of California's Cartwright Act.
22   30.   Around the time Zuckerberg made this decision to engage in the Facebook
23 Platform Extortion Scheme, Facebook's stock price had dropped by more than half from its initial
24 public offering ("IPO") in May 2012, reaching a low of $37 billion in September 2012.
25 Zuckerberg personally lost approximately $10 billion in the period during which he decided to
26 implement the fraudulent and anti-competitive schemes alleged herein. After Zuckerberg decided
27 upon and implemented the alleged fraudulent and anti-competitive schemes, the downward
28 trajectory of Facebook's stock reversed course and began its rapid climb to an approximate $445

billion market capitalization as of October 19, 2018, a much more than ten-fold increase from the low it had reached prior to Zuckerberg engaging in the alleged conduct. Zuckerberg and certain other Facebook executives were greatly enriched as a result of the alleged conduct on the order of millions or billions of dollars. The alleged conduct was a substantial factor in the turnaround of Facebook's stock price and the growth of its business.

31.   Facebook's entire business up until 2013 was built for desktop computers. However, by 2012, people began accessing the Internet more frequently from their phones than from their computers. This was the primary reason Facebook's business was collapsing by mid-2012. In order to save Facebook's business, Sheryl Sandberg, Dan Rose, Samuel Lessin and others convinced Zuckerberg to weaponize user data and Graph API in an extortion scheme that had devastating impacts across the entire consumer software industry and caused 35,000 small-to-medium businesses to shut down or pivot at a substantial loss, wreaking havoc on their investors, employees and the families that depended upon them. It further prevented consumers from exercising any reasonable degree of choice in how their needs are met across a wide range of products and services, resulting in the dominant market position Facebook maintains over many consumer software experiences today.

II.   THE PARTIES

32.   Plaintiff Styleform IT is a sole proprietorship registered in Sweden with a principal place of business at Tussmotevagen 192b, S-12264 Enskede, Sweden.

33.   Defendant Facebook, Inc. ("Facebook") is a Delaware Corporation with a principal place of business at One Hacker Way, Menlo Park, California.

34.   Defendant Facebook Ireland Limited is an Irish limited liability company wholly owned by Facebook, Inc. with a principal place of business at 4 Grand Canal Square, Grand Canal Harbour, Dublin 2.

35.   Defendant Mark Zuckerberg ("Zuckerberg") is an individual residing in Palo Alto, California. Zuckerberg was the Chief Executive Officer of Facebook during the time during which the alleged conduct occurred and personally made the decisions comprising the alleged

conduct, including: (1) the decision to use Facebook Platform as a 'bait and switch' scheme to unjustly enrich Facebook and the individual Defendants from 2007 through present; (2) the decision to fraudulently, negligently, intentionally, maliciously and oppressively misrepresent Facebook's plans regarding Facebook Platform before and *after* Facebook had already decided to restrict Graph API in 2011 and 2012; (3) the decision to actively conceal material information to tens of thousands of Developers, including Styleform, for years, notwithstanding that Facebook was under a duty to disclose such information; (3) the decision to conspire with large Developers to restrict access to data that Facebook promised for seven years would be available to all Developers on neutral and equal terms in exchange for large cash payments in advertising and/or other in-kind consideration that greatly benefited Facebook; and (4) the decision in late 2013 and early 2014 to concoct an entirely fabricated narrative in order to mask Facebook's true intentions around its deceptive and anti-competitive schemes. Zuckerberg made, and directed Facebook employees to make, false statements and to maliciously suppress material facts from 2007 through at least 2015, regarding Facebook's management of Facebook Platform with the intention of inducing investment from Developers to build applications on Facebook Platform. Zuckerberg did so knowing these investments would be irreparably damaged. Zuckerberg was aware these statements were false at the time they were made and that the facts suppressed would have materially qualified the misleading partial disclosures he authorized or personally made. Zuckerberg engaged in this wrongful and malicious conduct precisely in order to damage (and with full knowledge of the proximate damage to) these 40,000 or more software applications, including Styleform's applications, (collectively, "Apps"), to fulfill his primary goals of removing competitive threats to Facebook's planned products and propping up Facebook's mobile advertising business by holding Developers hostage. Zuckerberg was aware that these 40,000 or more apps, including Styleform's Apps, had contracts with their end customers that would be breached or otherwise interrupted by Zuckerberg's intentional, wrongful, malicious, oppressive, fraudulent and negligent conduct because the adhesion contract Developers, including Styleform, entered into with Facebook required them to maintain such contracts with their end customers.

36. Defendant Christopher Cox ("Cox") is an individual residing in San Francisco, California. Cox was the VP Product and/or Chief Product Officer of Facebook during the period in question and was responsible for deciding upon and implementing key components of Zuckerberg's fraudulent and anti-competitive schemes. Cox actively approved, participated, ratified, directed and acquiesced in the conspiracies and schemes alleged herein, including directing subordinates to increasingly expand the definition of competitive applications whose access to data would be removed. Cox made, and directed Facebook employees to make, false statements and to maliciously suppress material facts from at least 2007 through 2015 regarding Facebook's management of Facebook Platform with the intention of inducing investment from Developers to build applications on Facebook Platform. Cox did so knowing that these investments would be irreparably damaged. Cox was aware these statements were false at the time they were made and that the facts suppressed would have materially qualified the misleading partial disclosures he authorized or personally made. Cox engaged in this wrongful and malicious conduct precisely in order to damage (and with full knowledge of the proximate damage to) these 40,000 or more apps., including Styleform's Apps, to fulfill his primary goals of removing competitive threats to Facebook's planned products and propping up Facebook's mobile advertising business by holding Developers hostage. Cox was aware that these 40,000 or more apps, including Styleform's Apps, had contracts with their end customers that would be breached or otherwise interrupted by Cox's intentional, wrongful, malicious, oppressive, fraudulent and negligent conduct because the adhesion contract Developers, including Styleform, entered into with Facebook required them to maintain such contracts with their end customers.

37. Defendant Javier Olivan ("Olivan") is an individual residing in Atherton, California and Santa Cruz, California. Olivan was the Vice President of Growth of Facebook during the period in question and was responsible for deciding upon and implementing key components of Zuckerberg's fraudulent and anti-competitive schemes. Olivan actively approved, participated, ratified, directed and acquiesced in the conspiracies and schemes alleged herein, including directing subordinates to increasingly expand the definition of competitive applications whose access to data would be removed. Olivan repeatedly required the Facebook Platform team

to shut down applications on the exclusive basis that they were competitive with Facebook and further required the Platform team to re-architect the APIs Facebook made available to make it more difficult for other Developers to compete with Facebook on a level playing field, including removal of the friends list API, friends permissions APIs, newsfeed APIs, user ID APIs, and others. Olivan directed numerous projects at Facebook that intentionally violated user privacy in order to give Facebook's products an unfair competitive advantage relative to other Platform apps. Olivan made, and directed Facebook employees to make, false statements and to maliciously suppress material facts from at least 2007 through 2015 regarding Facebook's management of Facebook Platform with the intention of inducing investment from Developers to build applications on Facebook Platform. Olivan did so knowing that these investments would be irreparably damaged. Olivan was aware these statements were false at the time they were made and that the facts suppressed would have materially qualified the misleading partial disclosures he authorized or personally made. Olivan engaged in this wrongful and malicious conduct precisely in order to damage (and with full knowledge of the proximate damage to) these 40,000 software applications, including Styleform's Apps, to fulfill his primary goals of removing competitive threats to Facebook's planned products and propping up Facebook's mobile advertising business by holding Developers hostage. Olivan was aware that these 40,000 or more software applications, including Styleform's Apps, had contracts with their end customers that would be breached or otherwise interrupted by Olivan's intentional, wrongful, malicious, oppressive, fraudulent and negligent conduct because the adhesion contract Developers, including Styleform, entered into with Facebook required them to maintain such contracts with their end customers. Further, Zuckerberg directed Olivan (along with Lessin) in 2012 to oversee Vernal's Platform team to make sure Facebook properly executed its goal of removing thousands of competitive threats by privatizing Graph API while continuing to represent the public availability of Graph API in order to gain leverage over Developers and extort them into purchasing Facebook's new mobile advertising product.

38.   Defendant Samuel Lessin ("Lessin") is an individual residing in San Francisco, California. Lessin was the Director of Product and/or Vice President of Product Management of

Facebook, Inc. during the period in question and was responsible for deciding upon and implementing key components of Zuckerberg's fraudulent and anti-competitive schemes. Lessin actively approved, participated, ratified, directed and acquiesced in the conspiracies and schemes alleged herein, including directing subordinates to increasingly expand the definition of competitive applications whose access to data would be removed. In the summer and fall of 2012, Lessin worked with Zuckerberg and other Facebook executives like Sheryl Sandberg, Andrew Bosworth and Dan Rose to weaponize developers' reliance on Facebook Platform by threatening to break many software applications unless the developer made significant purchases in unrelated advertising using Facebook's new mobile advertising product. Lessin was instrumental in developing the plan whereby Facebook approached Developers to buy advertising under the threat that if they did not do so, Facebook would break their applications by removing access to public Platform data. Lessin made, and directed Facebook employees to make, false statements and to maliciously suppress material facts regarding Facebook's management of Facebook Platform with the intention of inducing investment from Developers to build applications on Facebook Platform. Lessin did so knowing these investments would be irreparably damaged. Lessin was aware these statements were false at the time they were made and that the facts suppressed would have materially qualified the misleading partial disclosures he authorized or personally made. Lessin engaged in this wrongful and malicious conduct precisely in order to damage (and with full knowledge of the proximate damage to) these 40,000 software applications, including Styleform's Apps, to fulfill his primary goals of removing competitive threats to Facebook's planned products and propping up Facebook's mobile advertising business by holding Developers hostage. Lessin was aware that these 40,000 or more apps, including Styleform's Apps, had contracts with their end customers that would be breached or otherwise interrupted by Lessin's intentional, wrongful, malicious, oppressive, fraudulent and negligent conduct because the adhesion contract Developers, including Styleform, entered into with Facebook required them to maintain such contracts with their end customers. Further, Zuckerberg directed Lessin (along with Olivan) in 2012 to oversee Vernal's Platform team to make sure Facebook properly executed its goal of propping up its mobile advertising business by privatizing

Graph API while continuing to represent the public availability of Graph API in order to gain leverage over Developers and extort them into purchasing Facebook's new mobile advertising product.

39. Defendant Michael Vernal ("Vernal") is an individual residing in San Francisco, California. Vernal was the Vice President of Engineering of Facebook during the period in question and was charged with direct oversight of Facebook Platform. As such, Vernal was responsible for deciding upon and implementing key components of Zuckerberg's fraudulent and anti-competitive schemes. Vernal actively approved, participated, ratified, directed and acquiesced in the conspiracies and schemes alleged herein, including architecting and overseeing the implementation plan to cause tens of thousands of software applications to cease functioning in order to oligopolize various software markets for the benefit of Facebook and Facebook's close partners. Zuckerberg directed Vernal to be the front man internally for this bait and switch scheme with full responsibility for its design and implementation such that many employees at Facebook were for years under the impression that the API restrictions were Vernal's idea. Vernal made, and directed Facebook employees to make, false statements and to maliciously suppress material facts from at least 2009 through 2015 regarding Facebook's management of Facebook Platform with the intention of inducing investment from Developers to build applications on Facebook Platform. Vernal did so knowing these investments would be irreparably damaged. Vernal was aware these statements were false at the time they were made and that the facts suppressed would have materially qualified the misleading partial disclosures he authorized or personally made. Vernal engaged in this wrongful and malicious conduct precisely in order to damage (and with full knowledge of the proximate damage to) these 40,000 or more apps, including Styleform's Apps, to fulfill his primary goals of removing competitive threats to Facebook's planned products and propping up Facebook's mobile advertising business by holding Developers hostage. Vernal was aware that these 40,000 or more apps, including Styleform's App, had contracts with their end customers that would be breached or otherwise interrupted by Vernal's intentional, wrongful, malicious, oppressive, fraudulent and negligent conduct because the adhesion contract Developers, including Styleform, entered into with Facebook required them

1 to maintain such contracts with their end customers.

2   40.   Defendant Ilya Sukhar ("Sukhar") is an individual residing in San Francisco,

3 California. Sukhar was the Vice President of Developer Products of Facebook during the period

4 in question and was responsible for deciding upon and implementing key components of

5 Zuckerberg's fraudulent and anti-competitive schemes. Sukhar actively approved, participated,

6 ratified, directed and acquiesced in the conspiracies and schemes alleged herein, including

7 architecting and overseeing the plan to achieve support among Facebook employees and

8 Developers around the fabricated narrative Zuckerberg manufactured to conceal his various anti-

9 competitive schemes. Zuckerberg directed Sukhar in the second half of 2013 and early 2014 to

10 serve as the front man externally for the bait and switch scheme in light of Sukhar's respected

11 reputation among the software developer community. Sukhar made, and directed Facebook

12 employees to make, false statements and to maliciously suppress material facts from at least 2013

13 through 2015 regarding Facebook's management of Facebook Platform with the intention of

14 inducing investment from Developers to build applications on Facebook Platform. Sukhar did so

15 knowing these investments would be irreparably damaged. Sukhar was aware these statements

16 were false at the time they were made and that the facts suppressed would have materially

17 qualified the misleading partial disclosures he authorized or personally made. Sukhar engaged in

18 this wrongful and malicious conduct precisely in order to damage (and with full knowledge of the

19 proximate damage to) these 40,000 or more apps, including Styleform's Apps, to fulfill his

20 primary goals of removing competitive threats to Facebook's planned products and propping up

21 Facebook's mobile advertising business by holding Developers hostage. Sukhar was aware that

22 these 40,000 or more apps, including Styleform's Apps, had contracts with their end customers

23 that would be breached or otherwise interrupted by Sukhar's intentional, wrongful, malicious,

24 oppressive, fraudulent and negligent conduct because the adhesion contract Developers, including

25 Styleform, entered into with Facebook required them to maintain such contracts with their end

26 customers. Sukhar worked with Zuckerberg directly to concoct a fabricated narrative around user

27 trust in late 2013 and early 2014 that intentionally and maliciously concealed critical facts related

28 to Facebook's anti-competitive data restrictions in order to avoid legal and public relations

1   ramifications for Zuckerberg's bait and switch scheme.

2   41.   Styleform is ignorant of the true names and capacities of the Defendants sued

3   herein as Does 1 through 50, inclusive, and each of them, and therefore sues said Defendants by

4   such fictitious names. Styleform will amend this complaint when the true names and capacities of

5   said Defendants have been ascertained. Styleform is informed and believes and thereon alleges,

6   that Defendants Does 1 through 50, inclusive, and each of them, are legally responsible in some

7   manner for the events and happenings referred to herein and proximately caused or contributed to

8   the injuries to Styleform as hereinafter alleged. Wherever in this complaint any Defendant is the

9   subject of any charging allegation by Styleform, it shall be deemed that said Defendants Does 1

10   through 50, inclusive, and each of them, are likewise the subjects of said charging allegation.

11   42.   At all times herein mentioned, each of the Defendants was the agent and employee

12   of each of the remaining Defendants and, in doing the things herein alleged, was acting within the

13   course and scope of said agency and employment and in particular from direction authorized and

14   required by Zuckerberg.

15

16   **III.   FACTS**

17   43.   Styleform is a software consulting business that builds applications for clients and

18   for its own account on Facebook Platform using Graph API. Beginning in 2007, Styleform built

19   and maintained a variety of applications on Facebook Platform. Styleform has continuously

20   maintained applications on Facebook Platform to the present day and has an active Facebook

21   Developer account. Further, the principal of Styleform has been a registered Facebook user

22   continuously from 2007 through the present day.

23   44.   In order to develop its Apps on Facebook Platform, Styleform was required to

24   enter and did in fact enter into Facebook's Statement of Rights and Responsibilities ("SRR" or

25   "Agreement"). The SRR is the "terms of service that governs [Facebook's] relationship with

26   users and others who interact with Facebook. By using or accessing Facebook, [Styleform]

27   agree[d] to this Statement...." Styleform was subject to the same SRR as all Developers on

28   Facebook Platform, since all Developers are required to agree to the SRR before accessing any

1   Graph API endpoints.

2   45.   The primary consideration offered by Facebook is described as follows in the

3 Agreement: "We give you all rights necessary to use the code, APIs, data, and tools you receive

4 from us" (Section 9). In exchange, Styleform gave Facebook various rights and other forms of

5 valuable consideration, including, for instance, the right to issue "a press release describing

6 [Facebook's] relationship with [Styleform]," the "right to analyze [Styleform's] application[s],

7 content, and data for any purpose, including commercial" purposes like targeting advertisements.

8 In other words, Styleform gave Facebook the right to leverage the user engagement from

9 Styleform's Apps to increase Facebook's advertising revenues.

10   46.   In consideration of the rights to access Facebook's data, Styleform also committed

11 to a wide range of obligations around which it incurred substantial cost, such as ensuring that

12 Styleform would "provide customer support for its application," "make it easy for users to

13 contact" Styleform or "remove or disconnect" Styleform's Apps. The terms of the Agreement

14 between Styleform and Facebook required that the two parties share and maintain highly

15 confidential, private and sensitive information of consumers, including personally identifiable

16 information. This confidential and sensitive data includes the name, phone device ID, email

17 address, private profile information, data uploaded to the Facebook site like photos and videos,

18 location. Further, under the Agreement, Styleform was required to share with Facebook

19 confidential and proprietary source code, including the inner workings and unique intellectual

20 property behind their technologies at any time upon Facebook's request.

21   47.   Facebook had a duty to disclose material facts affecting its ability to perform under

22 the Agreement, including to continue to provide rights to the data it had been sending to

23 Styleform given the Agreements between the parties. Facebook further had a duty to disclose

24 material facts to Styleform in light of the confidential information shared between the parties.

25   48.   At all times, Styleform performed all their obligations under the Agreement and

26 abided by all Facebook policies, terms and conditions. At no time did Facebook ever notify

27 Styleform that it believed Styleform had violated any term of its Agreement with Facebook or any

28 policies, including those related to user privacy, user trust or user control of data.

49.   Styleform further agreed that Facebook could "create applications that offer similar features and services to, or otherwise compete with, [Styleform's] applications"; that Facebook Platform may not always be free to use; and that Facebook could limit access to data or impose additional data-throttling restrictions if Styleform's user bases increased substantially. Styleform reasonably concluded that these requirements meant that Styleform in the future may be charged a fee to access data or otherwise participate in Facebook's economy, which fees would be charged consistently across all Developers based on publicly established pricing, and that the amount of data Styleform could access at any time may be rate-limited to assist Facebook in managing its costs in maintaining the API. Rate-limiting is common across most software APIs to ensure that an API user can only access a certain amount of data over a specified period of time. This assists the API provider, in this case Facebook, to manage costs associated with maintaining the API. Further, Styleform understood Facebook to mean that Facebook could compete with Styleform on a level playing field where the consumer decides which products succeed in the market.

50.   Nowhere in the Agreement did Facebook state that access to data could be provided on an unequal basis or that Facebook reserved its rights to provide data on an unequal, privileged, punitive or arbitrary basis. Nowhere in the Agreement did Facebook state that it reserved its rights to remove entirely the Graph API, the core APIs that defined Facebook Platform for over seven years and induced Developers, including Styleform, to build applications on Facebook Platform instead of other operating systems like those offered by Google, Microsoft or Apple.

51.   Facebook's public representations for seven years affirmed the reasonableness of Styleform's interpretation of its Agreement with Facebook. As the Agreement was drafted entirely by Facebook, if Facebook had intended by its terms to convey that it could provide access to data on unequal, privileged or arbitrary terms, or that it could shut down entirely access to entire categories of Graph API endpoints, it could have and should have done so.

52.   To this day, Facebook's Platform Policies still include obligations around social data, stating that Developers can "Only use friend data (including friends list) in the person's

experience in your app." (See developers.facebook.com/policy, Section 3.3). This demonstrates that some Developers who have entered into special agreements with Facebook still have access to this social data notwithstanding that the data has been restricted to all other Developers. Certain large Developers with close relationships to Facebook and who paid Facebook substantial sums of cash or other financial consideration continue to have access to this data in some form, notwithstanding that it has been restricted to at least 35,000 other Developers.

53.   Before and during the time Styleform was considering investing in Facebook Platform, Facebook repeatedly stated that it intended to have an open governance process around its terms of use and that Developers would participate in the evolution of their agreements with Facebook. For instance, on April 22, 2009, Zuckerberg released a video to Developers and users in which he stated that a community as "large and engaged [as Facebook] needs a more open process, and a voice in governance. That's why a month ago, we announced a more transparent and democratic approach to governing the Facebook site. Since that time, users and experts from around the world have read and offered comments on the documents that we've proposed, the Facebook Principles and the Statement of Rights and Responsibilities. We've read all of these comments and we've created new drafts of the documents.... Now we want you to vote and share with us which documents you think should govern Facebook. I hope you take a minute or two to vote and also to fan the Facebook Site Governance Page"[1] (see https://www.facebook.com/ fbsitegovernance/videos/vb.69178204322/718903095373/?type=2&theater). These various representations led Styleform reasonably to conclude that Facebook intended to be a good actor in enforcing its Agreement with Styleform, would not take actions that would frustrate Styleform's ability to gain benefits under the agreement, and would not unilaterally change the manner in which the Agreement was implemented.

54.   In entering into the Agreement, Styleform reasonably relied on the various official statements, announcements, policy documents and verbal representations of Facebook employees,

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[1] In the quoted text here and elsewhere in the Complaint, official public representations by Facebook or its employees have been underlined for emphasis.

and, in particular, of Zuckerberg, and the Facebook Platform FAQ document Facebook had produced. Styleform could not have known that Zuckerberg decided to restrict access to the data necessary for Styleform's technology to work, as Facebook had exclusive access to this information and had taken measures to actively conceal this fact from Styleform, other Developers, and the public.

55. As a result of Defendants' public representations regarding Facebook Platform, Styleform began building Facebook applications for clients and embraced a business strategy whereby Facebook Platform became an important part of its overall business beginning in 2007. Styleform built the first Swedish Facebook App in partnership with a Swedish advertising agency, Pronto Communications. The application, "Rosa Bandet," or "Pink Ribbon" ("Pink Ribbon App") was sponsored by the client, Cancer Fonden, a leading Swedish cancer awareness foundation. The purpose of the Pink Ribbon App was to support breast cancer awareness and research by encouraging Facebook users to donate and display a pink ribbon on their Facebook profiles. The Pink Ribbon App required the full friends list API and other Graph API endpoints in order to function. The Pink Ribbon App raised over 200,000 Euro to support breast cancer research and spread to more than 250,000 Facebook users.

56. As a result of Defendants' public representations regarding Facebook Platform, Styleform developed another application with a Swedish advertising agency. This application was called "Klimatsmart," or "Climate Smart" ("Climate Smart App"). The purpose of the Climate Smart App was to support solutions to address climate change and improve the health of the planet. The Climate Smart App required the full friends list API and other Graph API endpoints in order to function. The Climate Smart App spread to more than 17,000 Facebook users. The Climate Smart App remains an approved Facebook App that Facebook considers active to this day, and thus Styleform continues to be harmed by Defendants' fraudulent and malicious weaponization of the Facebook Platform economy.

57. As a result of Defendants' public representations regarding Facebook Platform, Styleform developed another application called "Nyarsloften" or "New Year Resolutions" ("New Year Resolutions App"). The purpose of the New Year Resolutions App was to suggest New

Year Resolutions to your friends and track their progress in keeping their resolutions over time. The New Year Resolutions App required the full friends list API and other Graph API endpoints in order to function. The New Year Resolutions App remains an approved Facebook App that Facebook considers active to this day, and thus Styleform continues to be harmed by Defendants' fraudulent and malicious weaponization of the Facebook Platform economy.

58. Given that 250,000 Pink Ribbon App users, 17,000 Climate Smart App users, and hundreds of New Year Resolutions App users had entered into contract with Styleform, all of the Facebook friends of these approximately 267,000 customers were prospective customers of Styleform who could enter into contract with Styleform with a single click on a link sent by their friends. Styleform had a reasonable expectation of contractual benefit and prospective economic advantage with these 267,000 customers and their Facebook friends.

59. As a direct result of Defendants' malicious bait-and-switch schemes weaponizing Facebook Platform from at least 2009 through the present day, Styleform was forced to incur significant unnecessary expenses to maintain its applications, clients and business prospects, including but not limited to all activities surrounding the Pink Ribbon App, the Climate Smart App, and the New Year Resolutions App. Styleform's contractual relationships with its advertising agency clients suffered and ultimately the clients terminated their contracts with Styleform related to all Facebook applications built by Styleform and due to no fault of Styleform. Styleform was forced to maintain the software code, hosting and upgrades of the Facebook applications at its own expense.

60. Further, Styleform was forced to incur significant, additional unnecessary costs in maintaining the New Year Resolutions App. Styleform maintained this application and others in the hope that Facebook would eventually stabilize its Platform and stop making changes that disadvantaged small developers for the benefit of Facebook and its closest partner Developers. However, Styleform was not aware and could not have learned that while Facebook had represented a level competitive playing field and parity across all Developers, including Facebook itself, Facebook had at least by 2009 made the decision to manage its Platform in a manner that systematically disadvantaged smaller Developers for the benefit of Facebook and its closest

1 partner Developers.

2   61.   Further, had Styleform been aware of Zuckerberg's decision to extort Developers

3 on the Platform beginning in late 2012 to transition his advertising business from desktop

4 computers to mobile phones, and further to privatize the very APIs that Styleform relied upon in

5 order to effectuate the extortion scheme, Styleform would have ceased altogether operating in the

6 Facebook Platform economy. Had Styleform been aware of these facts known only to Facebook

7 and its closest partner Developers, Styleform would not have built applications on Facebook

8 Platform or continued to maintain them until the present day.

9   62.   On April 30, 2015, Facebook required all applications to "upgrade" to Graph API

10 v. 2.0, which had the effect of eliminating the access of most Developers, including Styleform's

11 access, to the most widely used and important Graph API endpoints. Styleform's Apps would not

12 function at all without access to these Graph API endpoints, so Facebook's requirement that

13 Styleform "upgrade" its Apps to Graph API v. 2.0 was not realistic or possible, and Facebook

14 knew it was not realistic or possible. The Developer dashboard for Styleform's Apps included

15 notices to "upgrade" when Facebook knew "upgrading" was not feasible or possible.

16   63.   By deciding to end access to Graph API, Facebook made it impossible for

17 Styleform to build a viable business with its Apps, to abide by the license agreements and

18 purchase terms entered into by Styleform with its clients and the Apps' end users, and for

19 Styleform to recoup any of its investment of capital, human labor, time, effort and energy. If

20 Styleform had known that Facebook had made the decision to remove access to the Graph API in

21 late 2012 but remarkably waited until April 2015 to actually end such access, then Styleform

22 never would have invested capital and resources in building applications on Facebook Platform.

23   64.   Each one of Styleform's Apps' users entered into a license agreement with

24 Styleform. Facebook requires Developers to enter into license agreements with users of

25 applications for Facebook. These license agreements must, among other things, require that the

26 users of these applications adhere to Facebook's terms of service. All Developers must agree to

27 these terms prior to accessing any Graph API endpoints.

28   65.   Accordingly, Defendants knew, or should have known, about the existence of

Styleform's license agreements with its users, since Facebook required Styleform to enter into such license agreements. Further, Defendants circulated spreadsheets containing over 40,000 businesses who would violate their license agreements with their end users as a result of the Facebook Platform Extortion Scheme. These spreadsheets were shared directly with Zuckerberg and prepared at his request. The overwhelming majority of the businesses on these spreadsheets were law-abiding businesses who did not violate user privacy or trust and to which Facebook had never sent any notice of any policy or privacy violation.

66. On or about April 30, 2015, Facebook ended Developer access to the Graph API endpoints, including friend list and friend permissions data, to all Developers except those that entered into separate agreements with Facebook for special access, which was typically only granted once those Developers also agreed to make unrelated advertising purchases or provide other valuable consideration. Styleform was never given the opportunity to be extorted by Facebook and thus had no opportunity to continue to access the privatized Graph API endpoints. As a result, it became impossible for Styleform to build a business from its Apps.

67. On September 21, 2015, the Wall Street Journal reported that Facebook's decision to restrict access to Graph API caused a drug addiction researcher to halt his research efforts, shut down a voter-registration tool used by the 2012 Obama campaign, and decommissioned an App designed to help first generation college students connect with one another (see Deepa Seetharaman & Elizabeth Dwoskin, "Facebook's Restrictions on User Data Cast a Long Shadow; Curbs disrupt startups, academic research and even political strategy"," *The Wall Street Journal*, Sept. 22, 2015, at B1, available at http://www.wsj.com/articles/facebooksrestrictionsonuser datacastalong shadow1442881332). *The Wall Street Journal* also reported in the same article that Facebook reached an unspecified compromise with dating App Tinder that permitted some form of access to photos of mutual friends.

68. In all, over 5,000 businesses entered into special agreements with Facebook while 35,000 businesses had no opportunity to do so. For instance, Tinder provided highly valuable unrelated financial consideration, including intellectual property, to Facebook in exchange for its special access to APIs. Tinder was one of seven dating apps that Facebook agreed to give special

access in order to wipe out all other competitive dating applications from the Platform. Many

dating apps have historically relied heavily on Facebook to identify potential dates. By restricting

the APIs that enable this access to all but seven dating applications, Facebook gave Tinder and six

other dating apps effective control of the entire dating industry. Zuckerberg directed his

subordinates to enter into these arrangements in 2014 and 2015 because at the time he did not find

the dating market attractive enough for Facebook to enter.

69.   Philanthropy and lifestyle applications like those built by Styleform were

considered more competitive than dating applications. In fact, Facebook has since launched its

own applications related to the Apps built by Styleform after shutting down Styleform and many

other businesses in these categories. Had Facebook refrained from the Facebook Platform

Extortion Scheme, Styleform could have generated additional significant contracts with paying

clients to build its business on Facebook Platform. Further, Styleform engaged in discussions

with a potential acquirer to purchase Styleform, a substantial portion of the acquisition plan

depended upon Styleform's business building Facebook applications, and the Facebook Platform

Extortion Scheme negatively impacted these acquisition discussions and decreased the value of

Styleform's business. Styleform could have been acquired for an amount in the range of the low

seven figures in U.S. dollars but for Facebook's anti-competitive conduct. In total, Styleform was

induced due to Defendants' fraudulent conduct to expend capital and uncompensated labor in

developing and maintaining the Pink Ribbon App, the Climate Smart App, the New Year

Resolutions App, and other software, from 2007 through at least 2015 in the mid six figures in

U.S. dollars, to be determined at trial.

IV.   ZUCKERBERG LAUNCHES FACEBOOK PLATFORM IN MAY 2007, PROMISING EQUAL ACCESS AND A LEVEL PLAYING FIELD

70.   At 3PM PDT on May 24, 2007, Zuckerberg made a self-described revolutionary

announcement to a crowded room of software developers in San Francisco. Zuckerberg

announced the launch of Facebook Platform, which he had described weeks earlier in an

interview with Fortune magazine as "the most powerful distribution mechanism that's been

created in a generation." He went on in the Fortune interview to describe the motivation for

1 creating Facebook Platform in this way: "We want to make Facebook into something of an

2 operating system so you can run full applications," specifying that this development was the

3 internet-equivalent to what Microsoft did with Windows, which allowed other developers to build

4 applications for PCs. (See http://archive.fortune.com/2007/05/24/technology/facebook.fortune/

5 index.htm.)

6   71.   In fact, Zuckerberg's first demonstration of Facebook Platform was purportedly to

7 Bill Gates in early May 2007. Microsoft and Facebook had reached an agreement for Microsoft to

8 purchase banner ads on Facebook in which Microsoft had guaranteed Facebook a minimum of

9 $100 million per year through 2011. Facebook Platform was positioned by Facebook to Microsoft

10 as the driving force behind meeting Facebook's ambitious growth metrics. At the time of this

11 announcement, Facebook had just exceeded 20 million active users and had raised only $37.7

12 million in venture capital investment. Even at this modest point in Facebook's growth, its photo

13 sharing application was the largest photo application on the Internet, and according to Facebook's

14 own internal statistics, drew more than twice the traffic of the next three photo sites combined at

15 the time of the May 24, 2007 announcement of Facebook Platform.

16   72.   Zuckerberg announced that the three key elements of Facebook Platform were

17 "deep integration, mass distribution, and new opportunity." These were three key themes he

18 would repeat throughout the day and for years to come in numerous public conversations and

19 presentations. (See https://gigaom.com/2007/05/24/live-at-the-facebook-launch/.) Thus,

20 Zuckerberg made three distinct representations of fact: (1) Developers would have deep

21 integration with Facebook's social graph; (2) Developers would have Facebook's support in

22 achieving mass distribution of their applications; and (3) Developers would have an opportunity

23 to build a business on Facebook.

24   73.   By 8PM that evening, these key elements were memorialized on Facebook's

25 website with the official announcement "Facebook Platform Launches", stating "You can now

26 build applications that have the same access to integration into the social graph as Facebook

27 applications, such as photos, notes, and events.... The power of mass distribution is now in your

28 hands. You can gain distribution for your applications through the social graph like never before.

Applications can be virally engineered to reach millions of Facebook users quickly and efficiently through the profile, news feed, and mini-feed…. With access to deep integration into the site, and mass distribution through the social graph comes a new opportunity for you to build a business with your application. You are free to monetize your canvas pages through advertising or other transactions that you control." (See "Facebook Platform Launches," http://web.archive.org/web/20070706002021/http://developers.facebook.com/news.php?blog=1&story=21). Facebook's announcement thus represented that (1) Developers have the "same access to integration" for applications such as photos and notes as Facebook employees; (2) Developers are able to distribute applications through Facebook Platform; and (3) Developers are able to monetize applications through Facebook Platform.

74.   Zuckerberg went on to say: "The social graph is our base, and we've built a framework that is completely optimized for developing social applications within our environment…. We believe that there is more value for everyone in letting other people develop applications on top of the base we've built than we could ever possibly provide on our own…. This is good for us because if developers build great applications then they're providing a service to our users and strengthening the social graph…. This is a big opportunity. We provide the integration and distribution and developers provide the applications. We help users share more information and together we benefit." Zuckerberg thus represented that Facebook was committed long term to serving as a platform that enables Developers to build applications on a level playing field because it is a big opportunity for everyone.

75.   Zuckerberg then announced that Facebook had been working with over 70 developers in anticipation of the launch of Facebook Platform, including Amazon, Forbes, iLike, Lending Club, Microsoft, Obama for America, Photobucket, Red Bull, Twitter, Uber, Virgin Mobile USA, Warner Bros, Washington Post and many others. (See live blog of F8 event from leading Internet blogger, Mashable, at http://mashable.com/2007/05/24/facebook-f8-live/#CIfbgFfPV5q0.)

76.   Around 4PM during Zuckerberg's presentation, he announced five case studies from these early developer partners aimed at showing how easy it was for all developers to

integrate with Facebook Platform. Zuckerberg distributed case studies from Red Bull, Box.net, Lending Club, Microsoft and Slide.com. Zuckerberg continued to emphasize during this public, annual keynote to Developers that Facebook Platform is the single biggest and most revolutionary change to Facebook since its inception, stating: "Every once in a while a platform comes along that allows people to build a completely new application—sometimes even start new industries" (see https://gigaom.com/2007/05/24/live-at-the-facebook-launch/).

77.   GigaOm, a leading Internet blogger, live blogged the event and further quoted Zuckerberg as saying: "With photo-sharing, he explained, 'it's not just the photos that spread, it's the whole photos application'. Third-party applications won't be treated like second-class citizens on Facebook, he says; users can add them to their profiles and drag them and drop them to their content. Applications can use Flash, JavaScript, and Silverlight if a user approves them. Outside applications can issue unlimited notifications to users, and fit into the Facebook environment by accessing a 'friend selector' that spits out each user's connections. Now Zuckerberg says you can serve ads on your app pages and keep all the revenue, sell them yourselves or use a network, and process transactions within the site, keeping all the revenue without diverting users off Facebook" (see https://gigaom.com/2007/05/24/live-at-the-facebook-launch/). Zuckerberg thus represented that (1) developer applications won't be second class citizens; (2) developer applications can access a user's connections and related user data made available in the social graph; and (3) developer applications can sell ads through the Facebook Platform.

78.   This grandiose language from Zuckerberg sparked substantial questions from the Developer community so by 4:20 p.m. pacific (1 hour and 20 minutes after the keynote had started), Facebook released the official "Facebook Platform FAQ", which was being circulated across the Internet and available on Facebook's official website to educate developers on this announcement. The Facebook Platform FAQ was an official document released by Facebook to address material facts that enabled Developers to make an informed decision around whether to invest capital and resources in building applications for Facebook Platform (see Exhibit 1, "Facebook F8 and Platform FAQ.") The Facebook Platform FAQ states, *inter alia*:

What is Facebook Platform? Facebook Platform is a development system that enables companies and developers to build applications for the Facebook website, where all of Facebook's 24 million active users can interact with them. Facebook Platform offers deep integration in the Facebook website, distribution through the social graph and an opportunity to build a business.
* * *

What's new in Facebook Platform? We've been adding functionality since Facebook Platform first shipped in beta in August 2006. With the latest evolution of Facebook Platform however, third-party developers can now create applications on the Facebook site with the same level of integration as applications built by internal Facebook developers. Now developers everywhere have the ability to create Facebook applications that deeply integrate into the Facebook site, as well as the potential for mass distribution through the social graph and new business opportunities.
* * *

Why did Facebook launch Facebook Platform? Our engineers have created great applications for Facebook, but we recognized that third-party developers can help us make Facebook an even more powerful social utility. Facebook Platform gives developers everywhere the tools to create applications that we just wouldn't have the resources to build in-house, and those applications make Facebook an even better way for our users to exchange information. Developers also benefit from the Facebook Platform as it gives them the potential to broadly distribute their applications and even build new business opportunities.
* * *

What kinds of applications can be built on Facebook Platform? The kinds of applications developers can build on Facebook Platform are limited only by their imaginations. Because applications are based on the Facebook social graph they can be more relevant to users, keeping people in touch with what and whom they care about. We've already seen a variety of applications built by our developer partners, including those for sharing media files, book reviews, slideshows and more. Some of the possibilities of Facebook applications are illustrated in the Facebook Platform Application Directory, available at http://facebook.com/apps.
* * *

Are there any restrictions on what developers can build? Developers are encouraged to exercise their creativity when building applications. Of course, all applications are subject to the Terms of Service that every developer agrees to, which include basic requirements such as not storing any sensitive user information, not creating any offensive or illegal applications, and not building anything that phishes or spams users. And users will always have the power to report any applications that compromise Facebook's trusted environment, keeping our users' information safe.
* * *

How will Facebook deal with applications that compete with one another or even compete with Facebook-built applications? We welcome developers with competing applications, including developers whose applications might compete with Facebook-built applications. Many applications are likely to offer similar features. We've designed Facebook Platform so that applications from third-party developers are on a level playing field with applications built by Facebook.

Ultimately, our users will decide which applications they find most useful, and it is these applications that will become the most popular.

* * *

Can Facebook applications include ads? We want to enable developers to build a business on their Facebook applications, so we're giving developers the freedom to monetize their applications as they like. Developers can include advertising on their applications' canvas pages, though no advertising will be allowed within the application boxes that appear within user profiles.

* * *

Are you going to share revenue with developers? While revenue sharing is not available at launch, we are looking into ways to share advertising revenue with developers. The version of Facebook Platform already lets developers monetize their applications as they like, whether they choose to offer it for free or to build a business on their application.

79.   In sum, these representations by Facebook reflected the following explicit promises to Developers:

     a. Developers would have "deep integration";

     b. Developers would have access to the "social graph";

     c. Developers would have "an opportunity to build a business."

     d. Developers would have the same level of integration and ability to develop apps in the same manner as internal Facebook developers;

     e. Facebook shall provide adequate tools necessary for Developers to build their applications;

     f. Facebook shall help Developers achieve broad distribution of their applications;

     g. So long as applications abide by Facebook's Terms of Service, Developer Policies and other binding commitments Developers make in order to participate in Facebook Platform, Facebook will remain neutral as to the applications built on its operating system;

     h. Any application that does not violate its agreement with Facebook, phish or spam users, contain offensive material, or break the law shall be accepted in Facebook Platform;

     i. Competing applications are welcome on Facebook's operating system,

including those that compete with Facebook's own applications;

j. Facebook will remain neutral among competing applications, including those that compete with Facebook;

k. Applications similar in purpose and content will be allowed to compete on a "level playing field," which is defined as open and fair market competition whereby users will ultimately decide which applications win the market, not Facebook or other third parties;

l. Implicit in this definition of fairness and market adoption based on consumer choice, Facebook represented it shall take no actions to promote its own applications, or preferred applications from Developers who have a special relationship with Facebook, in order to slant the playing field in a manner that makes it less likely for users ultimately to decide the winners in the market;

m. Facebook shall enable Developers to build businesses on their operating system by directly monetizing their applications on Facebook;

n. Developers shall *not* be required to purchase advertising on Facebook Platform in order to access Graph API endpoints;

o. Developers will be able to sell ads on their application pages; and

p. Developers will have a choice as to whether they monetize their application on Facebook's operating system.

V. DEVELOPERS RESPOND ENTHUSIASTICALLY TO FACEBOOK PLATFORM, BUT BY 2009, ZUCKERBERG IS ALREADY SECRETLY IDENTIFYING WAYS TO WEAPONIZE THEIR RELIANCE

80. The blogging community went into an immediate and prolonged frenzy over Zuckerberg's announcement. Paul B. Allen, founder of Ancestry.com and well-known Internet blogger, summed up the general sentiment expressed by countless bloggers when he wrote that same day, "I saw history in the making today…I was lucky enough to be in San Francisco for the Facebook F8 Platform launch event. This announcement was at least an 8.0 on the Richter scale. It was a whopper…. A huge new opportunity was presented to the few hundred people in the

room, including 65 companies that have spent the last few weeks developing applications for the launch of Facebook Platform. Facebook is inviting anyone to develop applications for their users on top of what Mark calls their 'social graph' – the core of their service which basically keeps track of real people and their real connections to each other.... [Facebook's] growth will be dramatically accelerated by the Platform announcement. If Facebook is adding 100,000 new users per day with its own few simple applications (like its photo sharing, a very simple service that has given Facebook twice as many photos as all other photo sharing sites combined), what will happen when thousands or tens of thousands of developers start building apps in Facebook and marketing them to more users? Facebook will reach 50 million, then 100 million, then 200 million users, and beyond. Rather than continue to try to develop features within its own proprietary, closed network, basically keeping all of its users to itself...Facebook intuitively gets the concepts that are so brilliantly discussed in Wikinomics (which are so non-intuitive to old school business types), and has chosen to open up its network for all to participate in...Application developers can now have access to core Facebook features, such as user profiles and user connections, and even publishing to the News Feed, all with the control and permission of Facebook users...When Facebook has 100 million users, in the not too distant future, having the ability to develop an App in their system will almost be like being able to get a link on Google's own home page." (See http://www.paulallen.net/prediction-facebook-will-be-the-largest-social-network-in-the-world/.)

81.   To Developers, Facebook Platform represented not just an entirely new operating system, but an economy that could reorganize the entire Internet (potentially replacing Google as the dominant form of organizing the World Wide Web and replacing Windows and Macintosh as the primary operating system for developing software applications). The sentiment among Developers, as widely held throughout the industry and reported by popular sites like TechCrunch and the Wall Street Journal, was that if you weren't building for Facebook Platform, you were going to be left behind (see http://techcrunch.com/2007/05/24/facebook-launches-facebook-platform-they-are-the-anti-myspace/ and http://www.wsj.com/public/article/SB117971397890009177-wjdKPmjAqS_9ZZbwiRp_CoSqvwQ_20070620.html).

82.   Facebook and the Developers who were selected to participate in the private beta of Facebook Platform quickly set out to make Developers comfortable with this grandiose vision and create a level of comfort to induce them to participate in this entirely new industry. For instance, on May 29, 2007, just five days after Zuckerberg's announcement of Facebook Platform, Venture Beat, the popular tech blog, interviewed iLike founder, Ali Partovi, who was also an early advisor and shareholder of Facebook:

> **Interviewer:** Tell me about your experiences with Platform so far. You've been working on putting iLike on Facebook for several months now. Yet on the integration since Friday morning, there have been bugs and other issues on iLike's end. What's the status?
>
> **Partovi:** So, first to give you the back-story on how we got involved. Over the past several months, we've pushed and pushed with Facebook asking for some sort of exclusive relationship. They repeatedly said they won't do an exclusive relationship but would rather create a level playing field where we could compete with other third parties. We then gave up a bit, and we were actually a bit late to the game learning about the platform in detail. But when we finally did get access, our President, Hadi Partovi (my twin brother) took very little time to decide this was a huge strategic priority. That was a month ago. We re-prioritized everything else, and started moving our people off other projects onto this. First two or three people, then a few more, and by the end it was a huge group of engineers pulling back-to-back all-nighters for a week-long sprint to the launch.
>
> **Interviewer:** What made iLike think that Facebook Platform would be a big deal? What stood out about it?
>
> **Partovi:** Hadi has a strong background in the concept of platforms…at 24 he became the head of product management in the IE group at Microsoft, and was a key player in the browser wars. A month ago, even though the Facebook Platform wasn't fully fleshed out, he saw just from the early beginnings of it that this could redefine web development. What he said was, 'in the history of computing, there was the personal computer, there was Windows, there was the web, and now the Facebook Platform'. You can imagine that I and most our company was pretty skeptical. But he makes these calls so we followed him. As to what stood out, it's a combination of three things: (1) the technology itself – Facebook Platform, like any platform, offers the developer building blocks to build apps faster than they could if they were starting from scratch, and to tap into a rich source of data & capabilities that would never otherwise be available; (2) the potential for viral spread – due to the way the Facebook news feed works, an app can spread across the community entirely by viral spread, as friends get notified when one person adopts it…this essentially bypasses the idea of trying to make your app 'viral' as a standalone, because Facebook is itself naturally viral; (3) the rhetoric from the

Facebook management team, starting from the CEO himself, made it clear that they have a long-term commitment to a level playing field. For example, they absolutely refused to give us any special advantage, insisting that the market needs to see a level playing field...we offered them ownership in our company, money, etc. – but they had no interest. Furthermore, they built and launched their own 'video' app, but left it to 'compete' on its own merits alongside other third-party apps rather than making it 'pre-installed' for all Facebook users.[1] So #1 and #2 made this something we had to jump on, and #3 made us comfortable with the long-term strategic implications (see http://venturebeat.com/2007/05/29/qa-with-ilikes-ali-partovi-on-facebook/.)

83.   Partovi's comments immediately following Zuckerberg's announcement serve both to reflect the general sentiment held by Developers – that Facebook had made clear its long-term commitment to a level playing field and equal access to data for all Developers -- and to show how Facebook's allies (Partovi was an early advisor and shareholder), were committed to helping Facebook grow its new operating system quickly and induce developers to participate with large investments of capital. After all, iLike saw massive growth in the two years following its decision to build on the Facebook Platform.

84.   Three days after Partovi's Q&A with Venture Beat, on June 1, 2007 Facebook released its own statement further clarifying its intentions with Facebook Platform, entitled "Platform is Here": "Last Friday, we promised more information, so here it is.... With this evolution of Facebook Platform, we've made it so that any developer can build the same applications that we can. And by that, we mean that they can integrate their application into Facebook—into the social graph—the same way that our applications like Photos and Notes are integrated" (see https://www.facebook.com/notes/facebook/platform-is-here/2437282130/). Thus, Facebook promised that Developers would be able to build applications in the same way that Facebook can by accessing the social graph. As recently as October 1, 2018, this official statement remained available on Facebook's official website.

85.   Throughout the summer of 2007, Facebook remained on a charm offensive about its long-term commitment to developers on Facebook Platform. Facebook held numerous Hackathons and Developer Meetups in various cities to introduce new developers to Facebook

Platform, it launched a Developer Feed and Wiki on its website to educate the Developer community on the benefits of Facebook Platform and help them more seamlessly invest their capital and resources towards building applications on the Facebook Platform. Facebook also held contests with prizes for developers. Zuckerberg continued to emphasize the revolutionary impact Facebook Platform would have on the Internet as a whole during this time. For instance, on July 17, 2007, Zuckerberg was interviewed by Time Magazine:

> **Time**: the frenzy surrounding Facebook seems to have intensified quite dramatically over the past several months. What do you think is behind the company's newfound cachet?
>
> **Zuckerberg**: I think the most recent surge, at least in the press, is around the launch of Facebook Platform. For the first time we're allowing developers who don't work at Facebook to develop applications just as if they were. That's a big deal because it means that all developers have a new way of doing business if they choose to take advantage of it. There are whole companies that are forming whose only product is a Facebook Platform application. That provides an opportunity for them, it provides an opportunity for people who want to make money by investing in those companies, and I think that's something that's pretty exciting to the business community" (see http://content.time.com/time/business/article/0,8599,1644040,00.html).

86.   In these public statements to Time Magazine, Zuckerberg made at least four distinct promises: (1) Facebook would allow developers to build applications as if they were developers employed by Facebook; (2) Facebook would offer developers on Facebook Platform a new way of doing business; (3) Facebook would support an ecosystem where entire companies could be formed whose sole business activity was within the Facebook Platform ecosystem; and (4) Facebook would support an ecosystem where investors could reasonably rely on Facebook to make money by investing in companies solely devoted to the Facebook Platform ecosystem.

87.   Then on September 17, 2007, Facebook went even further by setting up a $10 million fund exclusively devoted to providing grants to Developers to build on Facebook Platform. Facebook and its partners in the fund would not even take equity in the Developer; they were offering free money to build applications on Facebook Platform with the only commitments being that the grantee use the money to build on Facebook Platform and that Facebook's partners would have the opportunity to invest first if they were interested in doing so. When asked why

Facebook was forming this fund, it replied: "We are forming this fund to help grow the Facebook application ecosystem. By decreasing the barrier to start a company, we hope to entice an even larger group of people to become entrepreneurs and build a compelling business on Facebook Platform. We hope this is also a funding model that other venture capitalists will follow" (see http://500hats.typepad.com/500blogs/2007/09/facebook-announ.html).

88.   Facebook's conduct in providing free money to Developers to build applications on Facebook Platform implies a specific promise that it will support Developers' opportunity to build a compelling business on Facebook Platform and that it is committed long-term to the stability of Facebook Platform as an ecosystem that can support substantial investment and where investors who participate in that ecosystem can expect a level playing field upon which to generate a return on that investment.

89.   Indeed, others were quick to follow Facebook's lead in making investors comfortable with supporting this new industry with large sums of capital. Numerous venture capital firms or funds were soon established that invested solely in Facebook applications. In September 2007, Wired Magazine reported the following: "And by turning itself into a platform for new applications, Facebook has launched a whole new branch of the software development industry, just like Bill Gates did with MS-DOS in the 1980s. By allowing developers to charge for their wares or collect the advertising revenue they generate, Zuckerberg set up a system for every programmer to get paid for their efforts. Now venture capitalists like Bay Partners are scrambling to fund almost anyone who has an idea for a Facebook application" (see https://archive.wired.com/techbiz/startups/news/2007/09/ff_facebook?currentPage=all).

90.   As a result of Facebook's tremendous efforts in inducing Developers to build applications on Facebook Platform and promising them access to the Graph on neutral and equal terms, Facebook Platform quickly became, in the words of *AdWeek*, "the most viral software distribution system ever." The overall traffic to Facebook increased by 33% within three weeks of the announcement. By December, the Facebook user base had grown from 24 million at the time of the announcement to 58 million, a 141% increase. Where Facebook had been adding about 100,000 new users per day prior to Facebook Platform and the input of Developers it catalyzed, it

was now adding more than 250,000 users per day (see http://www.adweek.com/socialtimes/top-10-facebook-stories-of-2007/211540).

91.   While it touted Facebook Platform to Developers around the world, Facebook did not state or even imply that access to Facebook Platform might later be rescinded or provided on an unequal basis. In fact, Facebook repeatedly promised that access would be provided on an equal basis relative to Facebook and other developers. However, during this time, Facebook, in fact, provided special, unequal access to the Social Graph to large Developers who were close partners of Facebook and made substantial unrelated advertising payments to Facebook to the systematic disadvantage of smaller Developers. This fact was not made known to or reasonably discoverable by the Developer community at large, including Styleform, at the time preferential access was being given as early as 2007.

92.   By the end of 2009, in large part due to Facebook Platform's success in inducing Developers to make investments in this new ecosystem, Facebook's user growth had skyrocketed from 24 million active users at the time of the announcement of Facebook Platform in May 2007 to over 350 million users in December 2009.

93.   In late 2009, Facebook released a document "A Look Back on the App Economy of Facebook in 2009," in which it cited numerous success stories. For instance, Facebook app Playfish was acquired by Electronic Arts that year for no less than $275 million. Watercooler, a leading fantasy sports application on the Facebook Platform, successfully raised $5.5 million to fuel its growth. Weardrobe was acquired by Like.com for an undisclosed sum. The document, published by the Director of the Facebook Developer Network, ended: "We'd like to say thank you to the developers and entrepreneurs who make up the Facebook Platform ecosystem and congratulations on your accomplishments in 2009" (see http://web.archive.org/web/20091223055629/http://developers.facebook.com/news.php?blog=1&story=351).

94.   Because Facebook's user growth skyrocketed from 2007 to 2009 and Facebook was becoming the dominant Platform on the Internet due to its Developer ecosystem, Facebook executives began secretly to discuss ways to undermine the success of Developers by promoting Facebook's own products to users and give Facebook's own products a competitive advantage

because of Facebook's unique position as the manager and policeman of its Platform. Thus, Facebook began extorting certain Developers privately and making changes to its APIs with the sole goal of stemming the growth of Developers it began to consider competitors.

95.   For instance, in a related lawsuit, *Six4Three, LLC v. Facebook, Inc., et al.* (filed on April 10, 2015 in San Mateo Superior Court, Case No. 533328), Ali Partovi, the founder of iLike who was touting the benefits of Facebook Platform in 2007, testified that Facebook's senior executive in charge of Platform told him in a meeting in 2009 that if iLike did not sell to Facebook for a price much lower than its market value at the time, then Facebook would shut iLike down and destroy its business:

> I mean, the most salient thing I remember was that there – Ethan [Ethan Beard, former head of Facebook Platform] said at some point, you know - you know, that, "We," meaning Facebook, "could acquire you, but not for very much." And I remember asking, "Why not for very much?" and him saying, "Because we could just shut you down." And the reason this, you know, has stuck in my memory is because I took it as somewhat of a threat, and I - I don't know whether he intended it to be conveyed as a threat or just a, you know, passing observation on his part, but I remember immediately notifying other people on my team that now Facebook has articulated this explicit threat. I don't - it had never been articulated before, that they could - or that they would consider arbitrarily shutting us down. And, you know, when you're threatened, it only takes once. You don't forget it. So from that point on, we lived under that threat.

96.   After this meeting between Partovi and Beard, Facebook then implemented actions to make it impossible for iLike to maintain parity with other products, including Facebook's own products, and ultimately iLike was forced to terminate hundreds of employees and sell to MySpace at a price far below its market valuation prior to Facebook's threat and subsequent anti-competitive conduct. Many other Developers experienced similar threats and anti-competitive actions from 2009 through present.

VI.   FACEBOOK LAUNCHES GRAPH API IN 2010 TO CONTINUE TO INDUCE DEVELOPERS TO RELY ON FACEBOOK PLATFORM

97.   On or about April 21, 2010, Facebook announced the launch of Graph Application Programming Interface ("Graph API") as a key new component of Facebook Platform at F8, its annual Developer conference. Graph API streamlined and formalized the process whereby Developers, with the consent of Facebook users, could perform actions, build software and in

some cases access user data with the consent of users.

98.   Facebook represented that Developers could only access capabilities (referred to as "endpoints") with explicit permission from Facebook users. Examples of endpoints include a user's birthdate, favorite songs, or photos. During the announcement of Graph API, Facebook touted several features of Graph API endpoints in order to increase its appeal to Developers, including Styleform.

99.   Specifically, at the F8 Conference 2010, Zuckerberg announced: "The open graph puts people at the center of the web – it means that the web can become a set of personally and meaningfully semantic connections between people…Three years ago at our first F8 we launched Facebook Platform, and together we all started an industry…We think what we have to show you today will be the most transformative thing we've ever done for the web…Use the open graph to make it so that people can have instantly social and personalized experiences everywhere they go. We're gonna be announcing a few pieces of new technology that make this possible – the first is the Graph API – makes it completely simple to read connections to Facebook's map of the graph…implemented on top of an open standard" (see https://www.youtube.com/watch?v=4SOcRKINiSM).

100.   After Zuckerberg completed his keynote at F8 2010, Bret Taylor, a Facebook executive, further explained what Graph API meant for Developers: "With Graph API every object in Facebook has a unique ID, whether that object is a user profile, event, etc.…you just need to download an object with a new ID or download a connection with a new name. So to download my friends you just need to download /btaylor /friends… And this applies for every single object in Facebook. So let's say Facebook launches a new feature next year. We're not gonna make you download a new SDK. You just need to download an object with a new ID or download a connection with a new name. All of the code you already wrote will continue to work perfectly. This is a really significant change for our new platform that I'm sure you can appreciate. For the first time via the search capability of the Graph API, we're giving developers the capability to search over all the public updates on Facebook. I think this is gonna lead to a bunch of cool new applications and I'm really excited to see where people go with this…. We've

built our core of the Facebook Platform from the ground up with simplicity, stability, and the graph in mind. This graph that for the first time we're building together" (see https://www.you tube.com/watch?v=4SOcRKINiSM).

101.   Facebook executive Bret Taylor thus promised that: (1) Developers could access Graph API objects in a simple manner ("you just need to download an object with a new ID"); (2) the accessible objects were ubiquitous ("this applies for every single object in Facebook"); (3) the access would be sustained and could be relied upon by developers ("All of the code you already wrote will continue to work perfectly…We're not gonna make you download a new SDK") (a Software Development Kit (or "SDK") is a set of software development tools that allows for the creation of applications for a particular operating system); (4) Developers could search over all objects for all public updates on Facebook; and (5) Facebook Platform guaranteed simplicity, stability and the ability to access and help build the Graph with Facebook.

102.   The software industry uses a common and well-known convention of referring to software by version number (e.g., version 1.0, 2.0, etc.) to signify the existence of separate versions of software and to identify a particular version of the software. When Facebook announced the launch of Graph API, it did not refer to Graph API as having different versions and did not specify a term for the availability of Graph API. Facebook did not specify a version or term for Graph API in order to give Developers the impression that it would indefinitely remain available to them to build a viable business, which takes many years to do in the software industry. Facebook thereby signified that Graph API's open, equal and neutral nature would not change or that if it did change, such change would occur on neutral, equal and fair terms with respect to all Developers. This representation was of course a deliberate decision on Facebook's part to continue to entice developers by conveying a sense of security around investing time, money and effort building applications on its revolutionary platform.

103.   Facebook did not represent that it had reserved the right to terminate access to all of the social data in its Graph API or that it could provide such access on unequal or anti-competitive terms. In fact, Facebook repeatedly represented that the unique value of its operating system relative to Microsoft or Apple was that it was inherently social and open. The idea that

Facebook in the future would remove the "social" part of the Social Graph or the "open" part of

the "Open Graph" could not have been reasonably anticipated by Styleform, as such a decision

would (and ultimately did) hollow out the entire premise of Graph API. Quite to the contrary,

Facebook repeatedly expressed its long-term commitment to Graph API and repeatedly expressed

that it would provide data on a level playing field with equal terms to all Developers, relative both

to one another and to Facebook itself.

104. This extension of the Facebook Platform ecosystem to further expand its

reorganization potential for the entire Internet contributed even further to Facebook's meteoric

rise and induced even more investors and Developers to participate in the economy Facebook had

created. By way of example, on October 21, 2010, Facebook partnered with Kleiner Perkins

Caufield & Byers, Zynga and Amazon to launch a $250 million fund to invest in new apps on the

Facebook Platform. By September 19, 2011, Facebook Platform had created over 182,000 jobs

and $12.19 billion in value to the U.S. economy. Facebook now boasted over 850 million users as

of late 2011. Facebook would later conspire with Zynga and Amazon to ensure their continued

access to Graph data after the data had been shut off to other Developers like Styleform.

105. On September 24, 2011, Facebook further extended its stated long-term

commitment to Facebook Platform by expanding Open Graph to accelerate its reorganization of

the disparate content on the Internet. (See http://mashable.com/2012/05/24/facebook-developer-

platform-infographic/#fDCxuACag5qr.) In his keynote address at F8 2011 on September 24,

2011, Zuckerberg stated to a packed auditorium of developers: "The next era is defined by the

apps and depth of engagement that is now possible now that this whole network has been

established… In 2007 in our very first F8 I introduced the concept of the social graph, all of the

relationships between people in the world. Last year we introduced the concept of the open graph

as not only the map of all the relationships but all of the connections in the world…. This year,

we're taking the next step: we're going to make it so that you can connect to anything you want in

any way you want…. Sometimes I think about what we're doing with the open graph is helping to

define a brand new language for how people connect…every year we take the next step and make

some new social apps possible. Open graph enables apps that focus primarily on two types of

things: the first is filling out your timeline, and the second is helping you discover new things through your friends." Facebook thus made at least four distinct representations of fact in this September 24, 2011 announcement: (1) Facebook has a long-term commitment to the Facebook Platform and ensuring a fair playing field for developers and has had such a commitment for over four years now; (2) Facebook is committed to extending the Facebook Platform to provide developers with more ways to innovate and build businesses; (3) in keeping with this long term commitment, Facebook will continue to help make new kinds of social apps possible; and (4) Facebook is in particular focused on helping you discover new things through your friends and Facebook Platform will enable developers seeking to do so.

106. Facebook stated that the extension of the Graph API at F8 2011 was simply the next step in Facebook's stated long-term commitment to serve as a platform for other developers, a commitment that every statement and action it took since May 2007 (a period of well over 4 years) reaffirmed without a shadow of a doubt. The extension of the Facebook Platform continued to accelerate the massive economy Facebook had built. By January 2012, Facebook Platform had created 232,000 jobs in the EU alone, amounting to $15.3 billion of value to the European economy. By February 2012, 250 million people were playing games on Facebook Platform each day (that is 12 times more people than the average viewership of American Idol, the highest-rated TV show in the history of television). By April 2012, 7 of the 10 highest grossing apps in the Apple App Store were built on Facebook Platform (see http://mashable.com/2012/05/24/facebook-developer-platform-infographic/#fDCxuACag5qr).

107. In large part due to the work of Developers, including Styleform, performed in reliance on Facebook's stated long-term commitment to Facebook Platform, Facebook exceeded 1 billion users in 2012.

VII. THE FTC FINDS IN 2011 AND 2012 THAT FACEBOOK HAS DESIGNED ITS PLATFORM IN A MANNER THAT VIOLATES PRIVACY AND ORDERS FACEBOOK TO FIX ITS FLAWED DESIGN

108. On or about July 27, 2012, the United States Federal Trade Commission ("FTC") entered a Decision and Order against Facebook (the "FTC Order"). The FTC Order was entered following a consent agreement between FTC and Facebook. The FTC Order stated that the FTC

had reason to believe Facebook has violated the Federal Trade Commission Act.

109. The FTC Order provided, among other things, that Facebook and its representatives "shall not misrepresent in any manner, expressly or by implication, the extent to which it maintains the privacy or security of covered information. . . ." The FTC Order defined "covered information" to include an individual consumer's photos, among other things. The FTC Order also provided that Facebook and its representatives "shall not misrepresent in any manner, expressly or by implication...the extent to which [Facebook] makes or has made covered information accessible to third parties."

110. The FTC Order was based on a complaint the FTC filed in 2011 against Facebook ("FTC Complaint") that alleged Facebook Platform violated user privacy by design in at least three ways: (1) by separating the privacy settings for data a user shared with friends in apps the user downloaded ("user data"), with the privacy settings for data the user shared with friends in apps ("Apps Others Use" settings) the friends downloaded ("friend data") (see, e.g., FTC Complaint, at 4-7); (2) by hiding the Apps Others Use settings to ensure most Facebook users were not aware that these settings were distinct from the main privacy settings (see *Id.*, at 4-9); and (3) by making the default setting for sharing data with Apps Others Use set to "on" so Facebook could funnel more data to Developers under the guise of user consent (see *Id.*, at 7-11).

111. At this time during 2011 and 2012 and at all times thereafter, there existed a fourth intentional design flaw unidentified by the FTC that significantly exacerbated the damage caused by the three flaws identified in the FTC Complaint: namely, Facebook deliberately failed to pass privacy settings for data transmitted via Facebook's APIs to Developers, implicitly signaling to Developers that all friend data was public and could be treated as such. Combined with the problematic design features identified by the FTC, this turned Facebook Platform into an unregulated firehose of data transfers without any ability for users to consent to, or Developers to manage, the privacy settings of users in a responsible fashion. Setting up the Platform as a firehose that violated user privacy was in Facebook's business interest since it enabled Facebook to attract more Developers initially to expand its user base more rapidly. Importantly, Developers had no control over this design by Facebook and many were not aware of this design until they

1 already had invested time, capital and labor in building applications on Facebook Platform.

2 112.   Because a user would experience a privacy violation through a Developer app, it

3 appeared in most cases as if the Developer was the one violating user privacy *when in fact it was*

4 *Facebook*.

5 113.   By way of example, if User A uploaded a photo to Facebook and set the photo to

6 "only me," only User A would be able to see the photo on Facebook.com or in the Facebook

7 mobile app. However, because the Apps Others Use setting was hidden, not explained to users,

8 and had the default set to "on" (issues the FTC had identified in its Complaint and Order), this

9 meant that when User B used a Developer's app, User B would be able to see User's A photo that

10 was set to "only me" if User B was friends with User A. This is because Facebook did not pass

11 the privacy settings of a data object in the most widely used Graph API endpoints, and because

12 Facebook had "auto-consented" User A to share this data in Apps Others Use without revealing

13 this fact to User A. User B sees the photo and tells User A, and User A complains that the

14 Developer is violating their privacy when in fact it was Facebook. The Developer could not have

15 even known that User B was not supposed to see User A's photo since Facebook falsely

16 represented it handled such settings prior to sending the photo to the Developer.

17 114.   Even after the FTC investigation, Facebook did not comply with the FTC Order to

18 eliminate this artificial distinction between "user data" and "friend data" that allowed Facebook to

19 funnel data in a firehose to Developers without concern for privacy restrictions. To address the

20 FTC Order, all Facebook had to do was: (1) combine the privacy settings for apps downloaded by

21 a user and apps downloaded by the user's friends in the main privacy page (instead of hiding the

22 Apps Others Use page); (2) change the default data-sharing setting from "on" to "off"; and (3)

23 include the privacy setting of a piece of data when sending that data to developers through its

24 APIs. There is very little technical difficulty in completing these three tasks.

25 115.   Instead, Facebook shirked the FTC Order by expanding upon its intentionally

26 flawed privacy design more urgently than ever to ensure Facebook had a valuable trading tool

27 that would reward chosen Developers that Facebook extorted into making entirely unrelated

28 purchases in Facebook's new mobile advertising product, purchases which saved Facebook's

1 business from collapsing in late 2012 and early 2013. In short, Zuckerberg weaponized the data of

2 one-third of the planet's population in order to cover up his failure to transition Facebook's

3 business from desktop computers to mobile ads before the market became aware that Facebook's

4 2012 and 2013 financial projections were false, due to Facebook having not accurately

5 represented how quickly users were transitioning their time on the Internet from desktop

6 computers to mobile phones.

7   116.   Contrary to its public representations, when Facebook restricted the Graph API in

8 2015, it did not do so for the purpose of enhancing user privacy. Rather, Facebook had previously

9 hid privacy controls and set the default sharing setting to "on" in violation of the FTC Order in

10 order to funnel more data to Developers that agreed to Facebook's extortion scheme that tied

11 Platform API access to unrelated purchases in Facebook's mobile advertising products. Facebook

12 could have complied with the FTC Order, in 2012, by: (1) not hiding the "Apps Others Use"

13 privacy page; (2) turning the default setting to "off"; and (3) by passing privacy information along

14 with the data it sent through its APIs, an issue reported by Facebook employees for many years

15 and which management willfully and deliberately decided not to fix in violation of the FTC

16 Order. Instead, Facebook expanded the very violations at the center of the FTC's complaint

17 leading up to the FTC Order for the purpose of improperly oligopolizing for itself and other large

18 Developers various attractive software markets.

19   117.   Thus, the true purposes of restricting Graph API, in 2015, were to distract from

20 Facebook's previous four years of willful privacy violations, by casting itself as an unwitting

21 victim along with users of wrongful Developers, and to provide cover for the last step in its

22 extortion scheme: shutting down the apps of Developers who had either not agreed to its

23 extortionary demands or who, like Styleform, had not even been given the "opportunity" to pay

24 Facebook off for the continued access to data that they had been promised. As a result of these

25 actions, users now have less control over this data. They are not permitted to share it with other

26 applications they trust, but only with Facebook and a small group of Developers that pay

27 Facebook large sums of money in unrelated advertising purchases or other financial consideration

28 of strategic value to Facebook.

118.   Not only does this situation violate the FTC Order, it is in violation of the General Data Protection Regulations of the European Union. And, if Facebook is not enjoined from this conduct, it will constitute a violation of a privacy law enacted in the summer of 2018 by the State of California which takes effect in 2020.

VIII.   INSTEAD OF FIXING THE FLAWED DESIGN, ZUCKERBERG IMPLEMENTS AN EXTORTION SCHEME THAT WEAPONIZES USER DATA TRANSMITTED IN OVER 50 PUBLIC APIS, SHUTTING DOWN TARGETED COMPANIES UNLESS THEY MAKE MINIMUM PURCHASES IN FACEBOOK'S NEW MOBILE ADVERTISING PRODUCT

119.   Beginning in 2011, Zuckerberg held discussions and meetings with Cox, Olivan, and Lessin (in addition to other Facebook executives like Sheryl Sandberg, Daniel Rose, Andrew Bosworth, and Colin Stretch) to determine how to build a business model for mobile phones. At the time, Facebook generated no revenues from mobile phones, but people were increasingly using them instead of their desktop computers. Facebook's user engagement and advertising revenue began to plummet by the middle of 2012 as a result of this transition to mobile phones.

120.   By the middle of 2012, Zuckerberg asked his executives to prepare multiple strategies with corresponding financial models regarding how to leverage Facebook Platform, the Developer ecosystem, and user data to transition Facebook's business model to mobile phones. Sandberg, Lessin, Rose, Cox, Olivan, Purdy and others collaborated on this strategy and modeling effort, which included: charging Developers for access to APIs with a public price (Twitter's model); taking a revenue share from Developers' sales (Apple and Google's models); and a model that would formalize the Reciprocity Policy Zuckerberg had been testing informally with certain companies since 2011.

121.   Zuckerberg, Sandberg, Cox, Lessin and others presented these various options to the Board of Directors in August 2012, at which time it was already clear to them that the fair and neutral mobile platform models of Twitter, Apple and Google would not accelerate revenues quickly enough to save Facebook's advertising business from experiencing significant long-term damage. By the fall of 2012, Zuckerberg had chosen the option of implementing the Reciprocity Policy formally, and this decision was communicated to the top Platform executive, Vernal, who

was tasked with implementing the Reciprocity Policy, as the new guiding principle of Facebook Platform.

122.   The Reciprocity Policy required the Platform team to rank companies based on their level of competitiveness with Facebook's actual or potential future products. In 2012, any large companies Facebook considered competitors that built messaging apps, photo apps, and video apps were shut down from Graph API endpoints and in certain cases prevented from purchasing advertising on Facebook under the guise of the Reciprocity Policy, notwithstanding they never violated any actual policy, law or user privacy expectation.

123.   In late 2012, Zuckerberg directed Defendants to begin testing the formal Reciprocity Policy with a handful of large Developers outside the messaging, photo and video app market. Instead of shutting these Developers down, Defendants told them they would be shut down in the future from Graph API endpoints *unless* they shared all their data back to Facebook and/or purchased each year a specified minimum amount of Facebook's new mobile advertising product, Mobile App Install Ads These Developers balked at the suggestion that they could be extorted to provide these demanded benefits to Facebook or be shut down from APIs that Facebook represented were available on fair, neutral and equal terms to all. Consequently, Zuckerberg directed Justin Osofsky to publicly announce the Reciprocity Policy, which occurred in a blog post on Facebook.com on January 25, 2013. Zuckerberg now had a published policy he could use as an excuse to shut down these Developers unless they purchased his Mobile App Install Ads and/or gave Facebook all their data.

124.   However, the public Reciprocity Policy differed substantially in a number of material respects from Facebook's internal definition. The public Reciprocity Policy stated only that Developers that replicated core functionality, such as social network sites like LinkedIn or MySpace, could be shut out from Facebook Platform. It explicitly told all other Developers to "keep doing what they're doing" and made no mention of the fact that Zuckerberg had decided to privatize under threat of extortion more than 50 APIs representing the most widely used endpoints in Facebook Platform (see https://web.archive.org/web/2013 0125212302/https:// developers.facebook.com/blog/post/2013/01/25/clarifying-our-platform-policies/ and

https://web.archive.org/web/20130216042126/https://developers.facebook.com/policy/). Vernal had in fact planned to announce the API restrictions but Zuckerberg explicitly prevented him from doing so in order to induce further reliance and gain additional extortion leverage over Developers from 2013 through 2015.

125.   From 2012 on, Defendants actively concealed material facts, made only misleading partial disclosures, and made materially false statements regarding the decisions Zuckerberg had in fact made in late 2012 concerning the Reciprocity Policy. Defendants began enforcing all aspects of Zuckerberg's decision, despite Facebook having only announced certain aspects of the decision while misleadingly withholding others. Defendants' conduct in this regard was undertaken in concert with certain large Developers who would benefit from such changes.

126.   Zuckerberg sought the guidance and active assistance of the other individual Defendants to execute key components of the extortion scheme. Zuckerberg tasked Vernal with implementing an engineering plan to remove API access to tens of thousands of potentially competitive applications and to manage a whitelisting and blacklisting software system that automated this capability.

127.   Zuckerberg tasked Lessin, Cox and Olivan with engaging other departments at Facebook around executing this plan to show which categories of applications were competitive with Facebook's current or future products in an effort to expand the extent to which Facebook could consider a broad range of applications to be directly competitive with Facebook and Facebook's close partners.

128.   In the spring of 2013, Zuckerberg and Lessin tasked Archibong and others to oversee audits by Facebook employees Simon Cross, Jackie Chang and Konstantinos Papamiltiadis, among others, that identified over 40,000 Developers and ranked them based on the type of app they built and their level of competitiveness to Facebook. Defendants instructed Archibong and others to expand the definition of a competitive app to go far beyond social networks, as publicly represented, and far beyond messaging, video and photo applications, which Facebook had been shutting down in 2012. Defendants now instructed their subordinates that virtually every kind of consumer software application would be considered competitive

1 (except games and dating apps). App categories that Facebook now considered competitive and

2 subject to the arbitrary and malicious Reciprocity Policy included sharing economy apps, lifestyle

3 apps, birthday apps, contact management apps, utility apps, any apps where the user had a profile

4 or a reputation score or ranking, and a wide range of others.

5   129.   Based upon Defendants' preferences, Facebook employees: (1) shut down some

6 Developers right away without notice; (2) notified other Developers that unless they agreed to be

7 extorted and purchase a minimum amount of Mobile App Install Ads or provide other exorbitant

8 consideration, they would in fact be shut down in the future; or (3) continued to induce still other

9 Developers to rely on Graph API endpoints Zuckerberg had decided in late 2012 would be shut

10 down after the extortion scheme had run its course. Many of the Developers in this third category

11 entered into whitelist agreements with Facebook that enabled Facebook to extract more revenues

12 from them in early and mid-2015 because they had built up even more reliance upon Facebook

13 Platform in the intervening two years.

14   130.   In all, by 2014 and 2015 over 5,000 Developers had entered into whitelist

15 agreements with Facebook in order to benefit from the dramatic restriction of the consumer

16 software industry that occurred when Facebook shut down all the popular Graph API endpoints

17 on April 30, 2015, making it impossible for more than 35,000 other Developers to compete with

18 the 5,000 who had been extorted to enter into agreements with Facebook.

19

20 **IX.   FROM 2012 ON, DEFENDANTS ENGAGE IN AN ACTIVE CONCEALMENT CAMPAIGN TO INDUCE FURTHER RELIANCE ON THESE 50 APIS IN ORDER TO GAIN MORE EXTORTION LEVERAGE**

21

22   131.   From late 2012 on, Defendants required that Facebook employees actively conceal

23 the extortion scheme even from other Facebook employees and especially from Developers and

24 the public. Defendants made various layers of management aware of this decision on a need-to-

25 know basis periodically from late 2012 until late 2013 and, at all times, required such employees

26 to actively conceal and/or make only misleading partial disclosures of these material facts. At

27 times, Defendants required secrecy upon the threat of being fired.

28   132.   During this time, Facebook sent many dozens of communications directly to

Styleform and hundreds of public communications intended for Developers that informed Styleform of certain material changes to Facebook Platform, many of which enticed Styleform to continue to rely on Facebook Platform.

133.   Not until April 30, 2015, at the earliest, did any such communication indicate clearly that Facebook was eliminating access to APIs critical to the functioning of Styleform's business, notwithstanding Zuckerberg had secretly made a final decision to shut these APIs down in the fall of 2012. This concealment period between the fall of 2012 and April 2015 was the period in which Zuckerberg executed the most devastating extortion scheme in the history of the software industry, a scheme which is directly responsible for Facebook's ascendance as one of the most valuable companies in the world today.

134.   From 2012 to 2015, Facebook held numerous meetups, conferences, hackathons, and the like in which Facebook employees trained developers like Styleform to access APIs that Defendants had already decided to restrict as part of their extortion scheme. Defendants directly and by way of their subordinates encouraged and enticed Developers to invest time, money, and resources in applications Defendants knew would not function in the near future based on decisions Zuckerberg had already made.

135.   Facebook made many of these events and training sessions available online for Developers like Styleform who could not attend in person. Styleform relied on these training sessions and other statements in deciding and continuing to maintain and invest in its technology. Facebook continued to make the same representations around the benefits of Facebook Platform that it had made since 2007 and acted maliciously, intentionally, and recklessly in continuing to make such statements. Further, from 2012 throughout 2014, Facebook issued numerous official statements and announcements that touted the success of Developers on Facebook Platform and further encouraged Developers to invest resources to build applications around APIs Zuckerberg had already decided to stop providing on fair, equal and neutral terms.

136.   By way of example, on June 20, 2012, Cox gave a keynote speech at a conference in which he touted the success of a company that accessed friend data when stating: "And on Ticketmaster, rather than trying to remember exactly which night your friends were going to the

1 concert…people can see that right there [on Ticketmaster] and then post back that they're going,

2 which incidentally on average creates six extra dollars of spend on Ticketmaster."

3 (https://www.youtube.com/watch?v=R2kkaDMAJmA). Such statements by Cox were

4 deliberately misleading, reckless and/or negligent in enticing Developers to build similar

5 applications to achieve the kinds of benefits Cox attributed to Ticketmaster, since Cox was in

6 discussions with the Defendants to restrict this data. Cox's June 20, 2012 speech disclosed that

7 Ticketmaster dramatically increased revenues by incorporating friend data, disclosing that friend

8 data was valuable to businesses, and yet Cox made no mention that Facebook was removing the

9 full friends list and friend data would only apply to existing app users, making it impossible for

10 new Developers to build applications that compete with incumbents. This misleading partial

11 representation inducing developers to use friend data would have been materially qualified by the

12 fact that Cox already knew that friend data would be severely restricted.

13   137.   By way of a further example, on October 20, 2012, Zuckerberg gave a speech in

14 which he stated that Facebook had "over 300 or 400 million photos shared per day now, which is

15 pretty crazy," and implied that photo sharing was a huge monetization opportunity on Facebook.

16 Zuckerberg omitted any mention that he had already decided to restrict this data from certain

17 Developers. (https://www.youtube.com/watch?v=5bJi7k-y1Lo). Further, on January 15, 2013,

18 Zuckerberg described searching for photos extensively and noted that Facebook had over 240

19 billion photos, the largest online repository, conveniently omitting that access to such photos

20 would be restricted when enticing listeners around the opportunity of Facebook's photo platform.

21 (https://www.youtube.com/watch?v=c-E3cfPHjeY). Zuckerberg's October 20, 2012 speech

22 disclosed that Facebook maintained the largest and highest quality photos database on the

23 Internet, implying that this data was extremely valuable to developers, and yet Zuckerberg

24 withheld that he had already decided to dramatically restrict access to this photos database and

25 had already begun arbitrarily restricting access to this photos database. This partial representation

26 inducing developers to build businesses using Facebook's photos database would have been

27 materially qualified by the fact that Zuckerberg already knew (since he made the decision) that

28 this database was going to be severely restricted.

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138.   By way of example, on February 28, 2013, Facebook published a training video on its official Facebook Developer YouTube Channel (https://www.youtube.com/user/ FacebookDevelopers/about), which has over 80,000 subscribers and 9.8 million views. The training session, "Getting started with Facebook SDK for iOS," was hosted by Facebook Employee Eddie O'Neil. O'Neil teaches Developers how to build applications that access friend data by building one with the Developers in the audience. He shows how to make a request to "get back photo albums for five friends" and then towards the end shows the finished application, stating: "Here are all my friends...As I scroll here, you see that we haven't brought all the friend pictures in yet, but as we bring them in we'll stick them in that cache and hold on to them...when we come back to display this it's instantaneous," meaning that the App can show all the friends' photos in a single request to make it very easy for Developers to use this data in their applications (https://www.youtube.com/watch?v= t5lFzjDCYM4). Eddie O'Neil's February 28, 2013 training session teaching developers how to build applications using the full friends list was a partial disclosure of the availability of the full friends list that clearly was intended to induce developers to spend time and money using the full friends list. This partial representation inducing developers to build businesses using the full friends list would have been materially qualified by the fact that O'Neil was informed in late 2012 (and therefore already knew) that this database was going to be severely restricted. O'Neil's false statements and misleading partial disclosures were made at the direction of the Defendants. In fact, Zuckerberg had already decided to restrict access to friend data many months prior, and Mr. O'Neil was aware of this fact at the time he held this training session. As a result, Mr. O'Neil must have known at the time of this training session that he was teaching and encouraging Developers to invest capital and resources in building applications that would soon no longer function. The Defendants instructed Mr. O'Neil directly or via their subordinates to actively conceal this information from Developers. Styleform reasonably relied on many training videos like this one when making decisions to continue investment in Facebook Platform.

139.   By way of example, on February 28, 2013, Facebook published another training video on its official Facebook Developer YouTube Channel. This training video was hosted by

Facebook employee Simon Cross from the "World Hack Moscow" event. Cross tells Developers that Facebook Platform is not about building apps within Facebook.com but rather integrating Facebook data "into your app on every platform…We're gonna spend time using our SDKs and APIs and integrating with Facebook at a code level." Cross then walks Developers step by step through the process of accessing photos ("Now we can go in and get their picture"). (https://www.youtube.com/watch?v=heTPmGb6jdc) (https://www.facebooksappeconomy.com/fullstory, around 11:00). Simon Cross' February 28, 2013 training session teaching developers how to access a user's friends' photos and profile pictures was a partial disclosure of the availability of a user's friends' photos and profile pictures that clearly was intended to induce developers to spend time and money using friends' photos in their applications. This partial representation inducing developers to build businesses using friends' photos would have been materially qualified by the fact that Cross knew or should have known that this database was going to be severely restricted, as his superiors decided to restrict it and began enforcing restrictions of it at least by 2012. Cross' false statements and misleading partial disclosures were made at the direction of the Defendants. In fact, Zuckerberg had already decided to restrict access to friend APIs many months prior, and Mr. Cross was aware of this fact at the time he held this training session. As a result, Mr. Cross must have known at the time of this training session that he was teaching and encouraging Developers to invest capital and resources in building applications that would soon no longer function. The Defendants instructed Mr. Cross directly or via their subordinates to actively conceal this information from Developers. Styleform reasonably relied on this training video and others like it when making decisions to continue investment in Facebook Platform.

140. By way of example, on June 20, 2013, Facebook published another training video hosted by Cross on its official Facebook Developer YouTube Channel, "Getting Started with Graph API". The video included instructions stating that its purpose was to serve as "An introduction to Facebook's Graph API which is the primary way to programmatically integrate with Facebook – publishing Open Graph stories, reading data about the current user – their details, their likes and interests and friends." The video documentation further states that it will

show Developers "how to build up deep graph queries which dive several layers deep into the Graph." The instructions also reference Developer documentation that continued to show Developers how to access data that the Defendants had already decided to restrict at: https://developers.facebook.com/docs/graph-api/overview. In the video, Cross walks Developers from start to finish through the process of requesting friend data permissions, enticing Developers with statements like the following: "Graph API Explorer makes it really easy to get started…Places, Pages, Photos, Events and Newsfeed stories as well as Users are all considered objects in the graph…. We can go deeper and deeper into the graph. We can also request the picture connection on each returned User object. This would allow me to show the profile picture of each of my friends and to get all of this data in a single request" (https://www.youtube.com/ watch?v= WteK95AppF4). Developers watched this video 238,665 times as of March 7, 2017. Cross' June 20, 2013 training session teaching developers how to access a user's friends' photos and profile pictures was a partial disclosure of the availability of a user's friends' photos and profile pictures that clearly was intended to induce developers to spend time and money using friends' photos in their applications. This partial representation inducing developers to build businesses using friends' photos would have been materially qualified by the fact that Cross had already been informed by his superiors that the data he was inducing these developers to build businesses around was going to be severely restricted. Cross' false statements and misleading partial disclosures were made at the direction of the Defendants. In fact, Zuckerberg had already decided to restrict access to friend data many months prior to the video's creation in June of 2013; and Mr. Cross was aware of this fact at the time he held this training session. As a result, Mr. Cross must have known at the time of this training session that he was teaching and encouraging Developers to invest capital and resources in building applications that would soon no longer function. Mr. Cross actively concealed and omitted material facts around restrictions on this data that Facebook already decided upon around one year prior. The Defendants instructed Mr. Cross directly or via their subordinates to actively conceal this information from Developers. Styleform reasonably relied on this training video and others like it when making decisions to continue investment in Facebook Platform.

1   141.   By way of example, on June 26, 2013, Facebook published a "Facebook Platform

2   Case Study – Fab.com" on its official Facebook Developer YouTube Channel. Facebook and its

3   partner Fab.com, an e-commerce app, touted the benefits of building on Facebook's social

4   operating system. A Fab.com employee stated that with Graph API they can "take everything

5   they have in the catalog and narrowly target to a customer" to "see a product on Facebook and

6   then share with their friends." Facebook enticed Developers to access social data in this video but

7   conveniently omitted all reference to the fact that the Defendants had decided many, many

8   months ago to cease providing this data on fair and neutral terms.

9   (https://www.youtube.com/watch?v=fEvq5BshZLo).

10   142.   By way of another example, on September 18, 2013, Zuckerberg gave a speech

11   during one of Facebook's Developer Days to over 600 attendees from 17 countries. Facebook

12   published the speech on its official Facebook Developer YouTube Channel. Zuckerberg states:

13   "A lot of people think about Facebook Platform as a way to get distribution for apps that you've

14   built. But we want to help you do even more than that. We want to make it simple to build great

15   apps that have identity, friends and all the stuff that you want built in really easily."

16   (https://www.youtube.com/watch?v=rnnjQpyCJec). Zuckerberg's September 18, 2013 speech in

17   which he stated that Facebook wants to "make it simple to build great apps that have identity,

18   friends and all the stuff that you want built in really easily" was a partial disclosure of the

19   availability of friend data and the other valuable Graph API data that clearly was intended to

20   induce developers to spend time and money building their products and businesses around

21   Facebook's friends data and other valuable Graph API data. This partial representation inducing

22   developers to build these businesses using this data would have been materially qualified by the

23   fact that Zuckerberg had decided more than a year prior to severely restrict the data he was

24   inducing developers to use to build their businesses.

25   143.   In fact, Zuckerberg had decided approximately a year earlier to restrict access to

26   friend data, identity data and "all the stuff that [Developers] want[ed] built in." Zuckerberg

27   intentionally, recklessly and/or negligently made this statement and many others like it during this

28   period of time to induce Developers, including Styleform, to build applications that benefited

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Facebook with full knowledge that Developers' investments in these applications would be irreparably damaged. Zuckerberg actively concealed his decision, made statements that plainly contradicted his decision, and omitted material information regarding his decision. Styleform reasonably relied on Zuckerberg's intentional, reckless and/or negligent false statements and had no other means of identifying this material information that the Defendants had been actively concealing from Styleform.

144.   During this time from 2012 throughout 2014, Facebook made many other policy updates and announcements to keep Developers informed of material information, including announcements on its website and in videos, such as the "Facebook Policy Update" by Facebook employee Alison Hendrix published on Facebook's official YouTube Channel on August 27, 2013. (https://www.youtube.com/watch?v=NRziLMgbbOk).

145.   Even as late as September 2014, Facebook continued to actively conceal material facts related to its photo sharing applications, as evinced in a video published on its official Facebook YouTube Channel, "Facebook Products for Photo apps," which makes no mention of the dramatic restrictions on friend data and photos data that the Defendants had secretly decided to implement more than two years prior (https://www.youtube.com/watch? v=R8M4oz1uA3o).

X.   FROM 2012 TO 2015, FACEBOOK ENGAGES IN NUMEROUS PROJECTS THAT WILLFULLY VIOLATE USER PRIVACY TO ENHANCE THE EFFICACY OF ITS ANTI-COMPETITIVE EXTORTION SCHEME

146.   While Lessin, Vernal, Purdy and Zuckerberg were overseeing competitive audits of more than 40,000 apps, Olivan oversaw various related projects that illegally monitored competitive Developers through means that repeatedly violated consumer privacy.

147.   By way of example, as disclosed in an August 2017 Wall Street Journal article (https://www.wsj.com/articles/facebooks-onavo-gives-social-media-firm-inside-peek-at-rivals-users-1502622003), Facebook had a project to collect certain data from consumers who had downloaded the Onavo app, a virtual private network app downloaded by approximately 30 million people, which Facebook purchased in October 2013. Olivan directly oversaw this project to monitor the apps 30 million people opened and downloaded on their phones.

148.   Facebook failed to disclose that it was accessing Onavo data from prior to the

Onavo acquisition and further that it used Onavo data to measure what people do on their phones

beyond Facebook's own suite of apps, including detailed information on things such as which

apps people generally are using, how frequently, for how long, and whether more women than

men use an app in a specific country. Facebook failed to disclose that it used this data for

competitive intelligence of numerous apps.

149.   Facebook's decision to purchase a large competitive application (WhatsApp) was

heavily influenced by Olivan's ability to obtain this non-public information from Onavo. At all

times, the employees involved in this project, including Olivan, were acting under the direction

and approval of Zuckerberg. Had Facebook fully disclosed this deceptive practice publicly to

users and Developers when it made public disclosures regarding its purchase of Onavo and its

update to Onavo's Terms of Service, then Styleform would not have invested in or continued to

invest in building its applications and business on Facebook Platform.

150.   Further, at least by 2012 or 2013, Facebook collected various content and metadata

regarding communications on Android phones without fully disclosing this to Facebook's users.

Facebook used this data to give certain Facebook products and features an unfair competitive

advantage over other social applications on Facebook Platform. Facebook disclosed publicly that

it was reading text messages in order to authenticate users more easily (see, e.g.,

https://www.facebook.com/help/210676372433246). This partial disclosure failed to state

accurately the type of data Facebook was accessing, the timeframe over which it had accessed it,

and the reasons for accessing the data of these Android users. Facebook also actively collected

information it did not fully disclose from non-Facebook and non-Android users who

communicated with Facebook users who owned Android phones. These consumers never

consented to have Facebook collect this information. At all times, the employees involved in this

project were acting under the direction and approval of Zuckerberg, Cox, Lessin and Olivan. Had

Facebook fully disclosed its practices regarding collection and use of metadata and content of

communications on Android phones, Styleform would not have invested in or continued to invest

in building its applications and business on Facebook Platform.

151.   Further, Facebook deliberately ignored the privacy settings of a Facebook user's friend list in order to improve a certain prominent feature in the Facebook app and website. Facebook made partial public disclosures of this practice while withholding material facts that, if disclosed, would have materially qualified Facebook's public statement (see, e.g., https://gizmodo.com/facebook-figured-out-my-family-secrets-and-it-wont-tel-1797696163). At all times, the employees involved in this project were acting under the direction and approval of Zuckerberg, Cox, Lessin and Olivan. Had Facebook made a full public disclosure regarding whether it respected user privacy settings for *all* Facebook features, then Styleform would not have invested in or continued to invest in building its applications and business on Facebook Platform.

152.   Further, Facebook implemented a project to turn on the Bluetooth setting in the background in order to locate users. Facebook made misleading partial disclosures regarding how and when it would turn on the Bluetooth feature and collect and store this data. Facebook did not fully disclose how this information would be used by Facebook. At all times, the employees involved in this project were acting under the direction and approval of Zuckerberg, Cox, Lessin and Olivan.

153.   Further, in 2013 and 2014 Facebook deliberately implemented code to have a user's privacy setting lapse after a period of time, requiring the user to go through additional effort in order to have the user's privacy settings respected. Facebook made misleading partial disclosures around this time regarding privacy settings, but did not fully disclose that it had caused certain settings to lapse after a period of time. At all times, the employees involved in this project were acting under the direction and approval of Zuckerberg, Cox, Lessin and Olivan. Had Facebook fully disclosed its handling of this and related privacy issues, Styleform would not have invested in or continued to invest in its applications and business on Facebook Platform.

154.   From 2007 through at least 2015, Facebook willfully, intentionally, recklessly, maliciously and negligently failed to pass privacy or age information when sending Developers Graph API data. This required Developers, including Styleform, to incur enormous costs in order to comply with user privacy settings and age restrictions. Facebook made repeated public

disclosures that withheld this fact. At all times, the employees involved in this project were acting under the direction and approval of Zuckerberg and Vernal. Had Facebook fully disclosed that it did not respect user privacy settings or age requirements when accessing information through third party apps, Styleform would not have invested in or continued to invest in its applications and business on Facebook Platform.

155. At least by 2013 and continuing at least through 2015, Facebook continued to explore and implement ways to track users' location, to track and read their texts, to access and record their microphones on their phones, to track and monitor their usage of competitive apps on their phones, and to track and monitor their calls. For example, Facebook expanded its program to access and monitor the microphone on Android phones in 2015 without securing the explicit consent of all users and while only providing misleading partial disclosures as to what information was being obtained and for what purposes it was being used (see, e.g., https://www.facebook.com/help/community/question/?id=974781930088 and https://www.cnbc.com/2017/10/30/facebook-denies-listening-to-user-conversations-via-microphones.html). As another example, Facebook has not fully disclosed the manner in which it preprocesses photos on the iOS camera roll, meaning if a user has any Facebook app installed on their iPhone, then Facebook accesses and analyzes (using facial and other image recognition) the photos the user takes and/or stores on the iPhone (see, e.g., https://www.facebook.com/help/community/question/?id=10209909027988265). Facebook's misleading partial disclosures regarding iPhone photo access and what information it gleans from the photos have been woefully deficient. At all times, the employees involved in this project were acting under the direction and approval of Zuckerberg, Cox, Lessin and Olivan.

156. All of these willful violations of consumer privacy were undertaken in order to give Facebook an advantage over competitors, including many thousands of Developers on Facebook Platform, either by illegally monitoring their growth or by enabling Facebook's own applications to perform tasks or release features that were impossible for law-abiding Developers to replicate.

XI. IN 2013 AND 2014, DEFENDANTS FABRICATE A FRAUDULENT PRO-PRIVACY NARRATIVE, WHICH THEY INTERNALLY NAME THE "SWITCHAROO PLAN," TO COVER UP THE EXTORTION SCHEME

157. Whenever the media reported that a Developer was shut out of Facebook Platform from 2013 to 2015, Facebook's public relations department would state the Developer violated the Reciprocity Policy and that Facebook could not comment further on specific enforcement decisions. This evasive approach provided sufficient cover long enough for the extortion scheme to transition Facebook's advertising business to mobile phones, but it could not last forever. Zuckerberg's scheme was wreaking havoc within Facebook, with employees who had become aware of the scheme decrying its immoral and unethical character and leaving the company in droves as a result. After all, Zuckerberg had required the Platform team, the department at Facebook that is supposed to be a fair and neutral policeman, to secretly treat as private over 50 APIs that the company continued to represent as publicly and freely available for more than two years.

158. Thus, Zuckerberg needed a way out of the predicament his extortion scheme had created. Remarkably, he found it in the violations of user privacy that his own firehose Platform design had created. Because the decision to shut down Developers for anti-competitive reasons coincided with reports in the media of rampant privacy violations (and because Developers were often the face of these privacy violations, since users learned of them inside the Developers' apps), Zuckerberg was able to tie these two media narratives together by arguing that the privacy violations were the result of various bad actor Developers. Remarkably, Zuckerberg's own privacy violations gave him a pro-privacy cover to tie up the loose ends of his extortion scheme with one of the most devastating anti-competitive acts in the history of the software industry: Graph API 2.0, which was announced on April 30, 2014 and took effect one year later on April 30, 2015, and which shut down more than 35,000 small-to-medium businesses under a pro-privacy justification that played no role whatsoever in Facebook's internal decision-making.

159. In mid-2013, Zuckerberg, Vernal and Facebook Director of Engineering Doug Purdy, aggressively sought to make Sukhar the front man, externally, for this pro-privacy narrative that was eventually peddled to the public on April 30, 2014, through the announcement

of "The New Facebook Login and Graph API 2.0." (Facebook Login is a tool that lets users login to other Developers' apps or websites using their Facebook user name and password.) This is because Sukhar was widely respected in the Developer community and would more likely be viewed as having genuine good faith intentions. Sukhar resisted being placed in this position until late 2013 because he knew the conduct was wrongful and malicious. However, in late 2013, Sukhar conceded and from that time on actively ratified, acquiesced in, and advanced key components necessary to the cover up and final execution of the extortion scheme from late 2013 through 2015.

160.   From late 2013 through early 2014, Zuckerberg, Sukhar, Vernal, Purdy and others constructed a fraudulent narrative around 'user trust' designed to mask the true reasons Zuckerberg was shutting down the same 50 Graph API endpoints he had begun extorting Developers with in late 2012. The core strategy behind the fraudulent narrative was to conceal the 50 APIs being restricted behind the announcement of Facebook's new Login product, which was easier to provide a pro-privacy narrative around.

161.   The new version of the login product, starting in April 2014 required Developers to ask permission to use certain Graph API endpoints *before* they release their apps, whereas previously once a Developer had agreed to Facebook's terms, it did not require any additional manual approval process to access certain APIs. The public rationale for this change was that it enabled Facebook to create another layer of privacy protection to ensure no bad actors accessed user data they did not need or were not supposed to access in violation of consumer privacy. In fact, the internal rationale for this change was to give Facebook the option to stymie a competitor before it grew large enough to be competitive with Facebook. Facebook did not always want to take this option, but it always wanted to have it.

162.   Nonetheless, it was very easy to position this change to Facebook Login as pro-privacy, since Facebook could say that it wanted another layer of policing in light of the rampant privacy issues that had been reported (which, unbeknownst to the public, were in fact Facebook's own doing caused by its shirking the FTC Order while simultaneously, and intentionally, failing to pass privacy settings in its APIs). The fact that over 50 APIs had been shut down with Graph

API 2.0 was not even mentioned in the public announcement or in Zuckerberg's speech at F8 on April 30, 2014.

163. Instead, Facebook noted in its public announcement only that some "rarely used" APIs would be shut down. This statement was false, and Defendants knew it to be false at the time they made it. In fact, the endpoints shut down on April 30, 2015 (the very same ones Zuckerberg secretly restricted in October and November 2012) were the most widely used APIs in Facebook Platform.

164. Many of the endpoints Developers were required to request in Login Review were never granted to any Developers. For instance, the Newsfeed APIs were subject to Login Review, and Facebook granted access to the Newsfeed APIs zero times over a period of more than a year. Thus, Login Review was simply another mechanism to enforce these anti-competitive API restrictions in a way that would cover up the extortion scheme. Facebook continues this practice and continues to harm Styleform to this day with this latest Login Review update requiring the apps to make significant changes by August 1, 2018.

165. Facebook hired a public relations firm in 2014 and 2015 to the tune of almost $50,000 a month just to disseminate this fraudulent pro-privacy narrative that concealed the extortion scheme behind the new Facebook Login product. Defendants referred to the scheme as the "Switcharoo Plan" because it concealed the API restrictions behind the Login announcement while pulling the "switch" on Developers after more than two years of extorting them. Sukhar began testing the fraudulent narrative internally with Facebook employees in early 2014. Defendants then tested it with close partners shortly before the public announcement, emphasizing messaging centered on 'user trust' and 'user control'.

166. Zuckerberg personally decided to make user trust and control a theme at F8 and use those themes as pretenses for notifying Developers that their access to data would be removed. Zuckerberg personally decided to mask the true implications of his decision to restrict data access in his announcement and to suppress material information that made it impossible for Styleform and other Developers to understand the impact to their applications based on Zuckerberg's convoluted and contradictory announcement on April 30, 2014. Sukhar, Vernal and

others worked directly with Zuckerberg to suppress this material information in the announcement and to disseminate this fabricated narrative around user trust.

167.   Zuckerberg tasked Sukhar and Vernal, among others, with propagating this fraudulent narrative internally to Facebook employees and externally to Developers and the public. Sukhar, Vernal and the other Defendants actively participated and conspired in the propagation of this fraudulent narrative.

168.   Issues like user trust, user control, privacy and the rare use of certain Graph API data – all of which Zuckerberg and other Facebook employees stated publicly as reasons for restricting data access and breaking tens of thousands of applications – were not, in fact, the actual reasons for restricting data access at the time Zuckerberg made, and the Defendants participated in, the decision. Removing potential competitive threats and leveraging Platform to build Facebook's mobile advertising business were the primary or exclusive reasons for closing the Open Graph. Further, decisions were not made unilaterally but in combination and concert with other large Developers and exceptions were made for certain applications that are more susceptible to violating user trust or where user trust is in fact more important than in normal applications, such as applications that require payments. These exceptions demonstrate that user trust could not have been the actual reason for Facebook's decision to restrict Graph API data.

169.   Zuckerberg and the Defendants directed their public relations team to feed reporters false information and in certain cases drafted reporters' stories themselves in order to disseminate this fabricated narrative among the public and Developer community.

170.   In his announcement at F8 on April 30, 2014, Zuckerberg continued to conceal material facts, misleadingly reveal only partial information, and deliberately mislead Developers and the public. Zuckerberg announced during his keynote: "This is gonna be a different kind of F8. In the past we've had F8 when we've had a big product announcement or new direction we were going in. This always meant a lot of different changes for your apps. Now we're focused on building a stable mobile platform. You're trying to build great mobile apps and businesses. And we want to bring this community together once per year to talk about all the different things were doing to support you. We've heard from you that you want to use Facebook Platform to do 3

1   things. Help you build, grow and monetize your apps."

2   171.   Thus, Zuckerberg reiterated the representation that Facebook had expressed to

3   Developers, including Styleform, unequivocally for over seven years now: that Facebook is

4   committed over the long-term to helping them build, grow and monetize their apps.

5   172.   Zuckerberg continued: "As I said we're really focused on building a stable mobile

6   platform. And one thing you may not know, is that all of our mobile apps are built on top of the

7   very same platform and APIs that you guys use when you're writing Facebook and all our

8   engineers use the same tools and read all the same documentation that you do…. It's really

9   important for you and for all of our teams internally that we build stable and efficient

10   infrastructure *that you can rely on for the long term*. So this has been a really big focus for us….

11   I want to start today by going through a few things we're doing to make our platform even more

12   stable and reliable for you to build, grow and monetize your apps. *You want to be able to build*

13   *something and know that it's gonna be able to work for a while.* So today for the first time

14   we're introducing a 2-year stability guarantee for all of our core API platforms…so even if we

15   change these core APIs in the future, we're guaranteeing that we're going to keep supporting

16   them as is for at least two years and maybe longer from the time we make that change. We're still

17   gonna experiment with new features and different things but we're gonna mark them as beta so

18   you know what's gonna be part of this core stable platform. We're also introducing API

19   versioning. This is something we want to make sure that all the apps we wrote two years ago keep

20   working. This is something we wanted internally as we build on this platform, so now everything

21   is gonna be versioned so you get to decide which version of the API you get to build against."

22   173.   Accordingly, Zuckerberg made at least four representations of fact: (1) Facebook

23   continued to provide a level playing field to Developers, including the ability to use the same

24   tools as Facebook employees to develop their applications; (2) Facebook continued to be

25   committed to providing developer access "that you can rely on for the long term"; (3) Facebook

26   promised that for all of its Core API endpoints it would guarantee their stability for at least two

27   years going forward; (4) Facebook promised that it would let Developers choose which version of

28   the API they would like to access as it introduces API versioning ("This is something we want to

make sure that all the apps we wrote two years ago keep working. This is something we wanted internally as we build on this platform, so now everything is gonna be versioned *so you get to decide* which version of the API you get to build against.").

174. Because Zuckerberg suppressed material facts in his announcement, many Developers initially applauded the 2-year stability guarantee and the ability to let Developers choose which version of the API to build against. One blogger applauded Facebook's commitment to Developers in noting: "Facebook co-founder and CEO Mark Zuckerberg announced a two-year stability guarantee for all of the company's core APIs and platforms. In fact, every API launched by Facebook will now be versioned, and Developers will be able to choose which version to build on." (See http://thenextweb.com/facebook/2014/04/30/facebook-announces-two-year-stability-guarantee-core-apis-sla-fix-major-bugs-within-48-hours/#gref.) TechCrunch and many other bloggers also reported on the API Guarantee, stating that Developers "will be able to build with confidence knowing that a Core API will be available for at least two years". (See http://techcrunch.com/2014/04/30/facebook-api-guarantee/.)

175. Zuckerberg's announcement contradicted active plans Facebook had been implementing for almost two years at Zuckerberg's personal direction. At no time in his announcement did Zuckerberg mention that all of the Graph API endpoints would be removed, notwithstanding that he had made the decision to do so two years prior and had personally overseen efforts by dozens of Facebook employees to implement the anti-competitive data restrictions.

176. Zuckerberg's statement that Developers would be able to choose which API to use, like Facebook employees, was simply false; and Zuckerberg knew this statement to be false at the time he made it. The Defendants had instructed their subordinates to implement a Core versus Extended API distinction and to version Graph API precisely to hide both the type of data they intended to restrict while also masking the true anti-competitive motivations for restricting it.

177. Zuckerberg's statement of a two-year stability guarantee was also false; and Zuckerberg knew it to be false at the time he made it. Zuckerberg and the Defendants had already decided that the social data in the Social Graph would only remain available for one year, not

two. In other words, the 2-year stability guarantee turned out not to apply to the original Graph API and only to future APIs, a critical fact that Zuckerberg omitted in his announcement. Thus, Facebook pulled the rug out from under the Developer community and took full economic advantage of the ecosystem Developers had built, but Zuckerberg's keynote address still generated sound bites consistent with his previous representations that Facebook was maintaining a fair and level playing field for Developers. Zuckerberg was forced to make statements he knew at the time to be false precisely because it was obvious to everyone in the Developer community, especially Zuckerberg, that Facebook had for seven years been making clear and unambiguous promises to Developers that they could rely on Facebook Platform over the long term to provide a fair playing field that offers its data on equal and neutral terms.

178. Facebook's behavior of intentionally inducing Developers to build Facebook's business and then pulling the rug out from under them is a repeated pattern in Facebook's growth story, further demonstrating the malicious, oppressive and fraudulent nature of Facebook's conduct. The alleged conduct is not an isolated incident simply related to Graph API versioning and the thousands of developers, like Styleform, whose businesses were destroyed by this bait-and-switch tactic.

179. By way of example, Facebook executed another bait-and-switch tactic that caused thousands of Developers to go out of business and lose countless millions of dollars of enterprise value and capital investment. At the same time that Zuckerberg pulled the rug out from Developers using Graph API data at F8 2014, he also announced Facebook's acquisition and reliance on Parse as its new preferred tool for developers to build on Facebook Platform. Parse was a popular development platform for creating apps for Facebook, which handled much of the back-end functionality of such apps, allowing Developers to focus on features that matter to users. Zuckerberg stated in the same keynote where he announced the Graph API 2.0: "One of the things we're really excited about offering is Parse…We make it easy to focus on your app, the thing that will get you users and make you money…and Parse takes care of all the rest." A Facebook employee who followed Zuckerberg on stage went on to note that they had expanded the free tier to make it easier to grow on Parse, giving developers "unlimited requests, unlimited

recipients, free analytics". Zuckerberg then finished his thoughts on Parse by saying "We're excited, we're aligned with your app, and we hope that it does get huge."

180. As a result of this and many other similar statements and actions by Facebook, hundreds of thousands of Developers began using Parse to build applications on Facebook Platform. Parse's platform on Facebook states: "From startups to the Fortune 500, hundreds of thousands of developers trust us."

181. Then, abruptly, on January 28, 2016, Facebook announced that Parse would be shutting down: "We have a difficult announcement to make. Beginning today we're winding down the Parse service, and Parse will be fully retired after a year-long period ending on January 28, 2017. We're proud that we've been able to help so many of you build great mobile apps, but we need to focus our resources elsewhere." The statement continues: "We understand that this won't be an easy transition…We know that many of you have come to rely on Parse, and we are striving to make this transition as straightforward as possible."

182. Many developers immediately commented on the devastating effect this would have on their app, business and investment in the Facebook Platform. One developer wrote: "@ParseIt Wow… Have spent months optimizing my app with your service to launch soon, and now this… Seems sudden… #utterlydisappointed." Another: "@ParseIt it would be nice to hear a little bit more about the need to focus your resources elsewhere." "@ParseIt my app had 2.5M users on your platform…this is sickening."

183. The incident with Parse demonstrates a continued clear pattern, on the part of Facebook, to make clear and unambiguous representations to developers, to engage in conduct that induces developers to make substantial investments of time and money (all of which helped make Facebook one of the most valuable companies in the world today), and then pull the rug out from under these Developers to reap the financial benefits for itself.

184. Facebook is currently undertaking another bait-and-switch scheme, this time for the Facebook Messenger Platform. This scheme was designed by Zuckerberg in 2013, and Facebook is currently in the process of baiting developers into helping make Facebook's messaging service the most popular text messaging service in the world. Facebook made a

misleading partial disclosure of its intentions regarding Facebook Messenger Platform, but did

not fully disclosure its intentions regarding Facebook Messenger Platform. Had Facebook

disclosed this information in 2013 when Zuckerberg decided upon it, then Styleform would not

have continued to invest in building their businesses or maintaining their apps because it would

have signaled clearly to Styleform that Facebook Platform cannot be relied upon to build a viable

business or stable product. This incident further demonstrates that the practice of baiting and

switching Developers to build new lines of business for Facebook was not merely incidental or

negligent, but is a key part of Zuckerberg's standard playbook when entering new markets. In the

spring of 2018, Facebook implemented a similar review process to its Facebook Messenger

Platform.

185.   Styleform continues to receive updates from Facebook regarding further

restrictions on Graph API version 2. For instance, Styleform received such a notice on August 1,

2018 to upgrade to Graph API v2.7, which requires submitting apps to Facebook App Review and

requesting permission to access "user_friends," which Facebook defines as the friends of an app

user who also have downloaded the App.

186.   As a result of Defendants' concealment of their wrongful acts, the continuing

nature of those acts, and Styleform's inability to discover them with the exercise of reasonable

diligence, Styleform asserts the tolling of any applicable statute of limitations affecting the rights

of action of Styleform.

COUNT I: BREACH OF CONTRACT
[Against Facebook, Inc. and Facebook Ireland Limited]

187.   Plaintiff re-alleges and repleads the foregoing paragraphs as though set forth fully

herein.

188.   Plaintiff and Facebook were in a business relationship under the Agreement in

which Facebook promised Plaintiff "all rights necessary to use the code, APIs, data, and tools you

receive from us." (Section 9.8). Facebook defined "Platform" as "a set of APIs and services (such

as content) that enable [Plaintiff] to retrieve data from Facebook or provide data to

[Facebook]....By 'content' we mean anything...users post on Facebook.... By 'data' or 'user

data'...we mean any data, including a user's content or information that you or third parties can retrieve from Facebook or provide to Facebook through Platform.... By 'application' we mean any application or website that uses or accesses Platform." In exchange, Plaintiff provided a host of rights to Facebook, including but not limited to a right to analyze and generate advertising revenues from Plaintiff's applications (Section 9.17), place content around Plaintiff's applications (Section 9.16) and issue press releases around Plaintiff's applications (Section 9.12). Further, Plaintiff agreed to undertake a host of obligations under the agreement around which it incurred substantial cost.

189.   Plaintiff did all or substantially all of the significant things that the contract required it to do. Plaintiff abided by all of its contractual obligations at all times. At no time did Facebook ever contact Plaintiff to notify Plaintiff that Facebook believed Plaintiff was in potential violation of its Agreement with Facebook. Plaintiff met all of the conditions required for Facebook's performance under the agreement.

190.   Facebook entered into identical adhesion contracts with all of the Developers on its Platform. This necessarily entailed that Facebook provide a level playing field and guarantee a minimum degree of equal access and opportunity on Facebook Platform to build a stable product and business. However, beginning at least by 2009, Facebook violated this contractual representation and promise by systematically disadvantaging Plaintiffs and other smaller Developers.

191.   Further, by April 30, 2015, Facebook failed to provide Plaintiff with the rights necessary to use Facebook's code, APIs, data, and tools in further breach of the agreement and after Plaintiff had incurred substantial cost in meeting all of its performance obligations under the Agreement.

192.   Further, at all times after entering into the Agreement, Facebook failed to provide Plaintiff with access to Facebook's code, APIs, data and tools on terms that were equal and neutral relative to the terms provided to all other Developers, in breach of the Agreement.

193.   Facebook's decision to willfully, intentionally and negligently mislead Plaintiff and tens of thousands of other Developers, as well as take other actions that frustrated the ability

of Plaintiff and other Developers to gain the benefits of their contracts with Facebook, violated the implied covenant of good faith and fair dealing insofar as Facebook's alleged conduct unfairly interfered with Plaintiff's right to receive the benefits of its agreement with Facebook and further fraudulently induced Plaintiff to enter into the Agreement in the first place.

194. Facebook's decision to willfully, intentionally and negligently mislead Plaintiff and tens of thousands of other Developers and take other actions alleged herein violated Facebook's implied duty to perform with reasonable care.

195. Plaintiff was harmed by Facebook's conduct and Facebook's breach of its agreement with Plaintiff was a substantial factor in Plaintiff's harm. If Facebook had performed and provided Plaintiff rights necessary to access Facebook's APIs, code, data and tools, and had done so on an equal basis with respect to other Developers and to Facebook itself, Plaintiff would not have been harmed.

196. Any limitation of liability provided for in Facebook's agreement with Plaintiff is unenforceable in accordance with California Civil Code § 1668, which declares unlawful contracts exempting persons from the consequences of their own fraud, willful injury or violation of the law, whether willful or negligent.

197. Any limitation of liability provided for in Facebook's agreement with Plaintiff is unenforceable as the limitation of liability clause, as drafted by Facebook, fails to insulate Facebook from liability resulting from Facebook's own negligence or fraud.

198. Any limitation of liability provided for in Facebook's agreement with Plaintiff is unenforceable as Facebook and Plaintiff had dramatically unequal bargaining strength, the agreement was provided on a "take it or leave it" basis and drafted entirely by Facebook, and greatly affects and implicates the public interest as it sets forth the rights of over two billion people and tens of millions of businesses.

199. Plaintiff was injured as a result of Facebook's breach of the agreement in an unascertained amount in excess of $25,000.00, to be established according to proof at trial. Accordingly, Facebook is liable to Plaintiff for damages. Plaintiff's damages as a result of the breach of contract include the loss of its investment and time spent in developing its technology

in reasonable reliance on its agreement with Facebook, the complete loss of its enterprise value, and its lost future profits in an aggregate amount to be ascertained at trial.

200. Facebook's standard adhesion contract provides that Developers and consumers outside the United States and Canada agree that their agreement is with Facebook Ireland Limited, a subsidiary owned 100% by Defendant Facebook, Inc. and controlled entirely by Facebook Inc. and Defendant Mark Zuckerberg such that Defendants maintain a complete unity of interest and ownership over Facebook Ireland Limited. Further, equity demands that a great injustice will result against Styleform if it is prevented from bringing suit against Facebook, Inc., the entity responsible entirely for the damage to Styleform's business. In light of the malicious, wrongful, fraudulent, oppressive and punitive conduct of Defendants, they should not be permitted to hide behind the veil of a subsidiary owned and controlled entirely by them.

201. Accordingly, Facebook is liable to Plaintiff for damages.

COUNT II: CONCEALMENT
[Against Facebook, Inc., Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar]

202. Styleform re-alleges and repleads the foregoing paragraphs as though set forth fully herein.

203. From 2007 to at least 2015, Defendants repeatedly made misleading partial disclosures of fact while withholding other material facts that substantially qualified and often directly contradicted the misleading partial disclosures made by Facebook. Plaintiff relied on these misleading partial disclosures of fact, had no ability to discover the material facts being withheld, and if Plaintiff had discovered the material facts being withheld, Plaintiff would not have relied upon Facebook's operating system.

204. These and numerous other misleading partial disclosures that deliberately shared certain facts but withheld other related material facts induced investment by developers, including Plaintiff, notwithstanding Facebook's full knowledge that these investments would be irreparably damaged. These misleading partial disclosures were designed to unjustly enrich the Defendants and were made repeatedly by Facebook and certain of its executives on many occasions from May 2007 until at least April 30, 2015, including on the dates and times alleged herein, and in

particular in speeches by Defendants and official statements posted on Facebook's website.

205.   Zuckerberg's decision to close Plaintiff's access to APIs in 2012 was material information that was not disclosed to Plaintiff. Had Facebook disclosed this material information to Plaintiff, Plaintiff would never had made or continued to make investments in building or maintaining its apps. Had Zuckerberg not intentionally misrepresented a host of material facts related to Facebook Platform and related to Zuckerberg's decision to restrict access to the most valuable information in Facebook Platform, Plaintiff would not have continued to invest in its applications and business on Facebook Platform.

206.   Defendants further engaged in misleading partial disclosures of fact related to the fraudulent narrative they fabricated to mask the anti-competitive scheme. In early 2014, Zuckerberg directed Sukhar and Vernal to develop a narrative that disclosed that the Graph API endpoints would be completely removed from Facebook Platform. However, this partial disclosure omitted the fact that, although the data was being removed from public view, it was not being removed from Facebook Platform. Instead of being removed, the data was being privatized. Zuckerberg deliberately concealed the fact that the Graph API was being privatized in his April 30, 2014 announcement and instead made only a partial disclosure that the information was being removed. Facebook had already for over a year or more engaged numerous Developers to enter into special whitelist agreements to maintain private access to the data after it was publicly removed. The Developers who were offered special, whitelist access to the privatized Graph API endpoints were ones who either agreed to purchase hundreds of thousands of dollars in unrelated mobile ads or to provide other valuable consideration, such as intellectual property or data, to Facebook. Had Facebook disclosed at any time in 2012, 2013, or 2014 that the Graph API was being privatized in any of its numerous public disclosures regarding Graph API, of which it sent dozens to Plaintiff, then Plaintiff would have not invested in its applications and business on Facebook Platform.

207.   Facebook and certain of its executives had a duty to speak truthfully and to disclose material information concerning the closing of access to data arising from Facebook's Agreement with Plaintiff to be Developers on Facebook Platform and Plaintiff's Agreement to

abide by Facebook's policies and procedures, as alleged above. Facebook's public justification that it was implementing the anti-competitive Graph API restrictions in order to protect user privacy and control only partially disclosed Facebook's justifications. Facebook concealed the anti-competitive Graph API restrictions behind a revamp of its Facebook Login product in order to cloak these changes under a narrative about user control and privacy. The narrative that Facebook removed the Graph API endpoints to give users more control is directly belied by the fact that after the changes were implemented, Facebook users could no longer enable their friends to access their information on apps other than Facebook. The control users previously had to enable their friends to access data about them from apps other than Facebook was transferred over to Facebook. This meant that only Facebook (and not Facebook's users) could now decide what data a user's friends could see about them on other apps. Everyone was forced to use Facebook, instead of these other apps, unless all Facebook users decided to re-upload all their digital data to these other apps. Had Facebook not concealed its anti-competitive Graph API restrictions behind the Login product announcement, Plaintiff would not have continued investing in its applications and business on Facebook Platform.

208. Further, Facebook provided full disclosure of these changes to certain Developers throughout 2012, 2013 and 2014 but did not fully disclose the nature of these changes to Plaintiff until at least April 30, 2015. Had Facebook made full disclosure to Plaintiff at the time it made full disclosure to certain other Developers, then Plaintiff would not have invested or continued to invest in its applications and business on Facebook Platform.

209. Further, Facebook's public disclosure that it made these changes out of respect for user privacy is undermined by numerous Facebook projects that deliberately, willfully, intentionally, recklessly and negligently violated privacy by only making misleading partial disclosures to Developers regarding how Facebook collected, stored and transmitted user data. Beginning at least by 2012, Olivan directed a range of projects under the supervision and direction of Zuckerberg, Cox and Lessin that deliberately, intentionally, maliciously, recklessly and negligently violated user privacy in order to effectuate Facebook's anti-competitive scheme of baiting Developers to rely on Facebook Platform only to shut them down in order to restrain

competition in a wide range of software markets. At all times, Olivan was acting under the direction and approval of Zuckerberg, Cox and Lessin, who authorized misleading partial disclosures of Facebook's conduct that would have been undermined had Facebook made a full disclosure of material facts.

210. Plaintiff relied on Facebook's misleading partial disclosures that it respected user privacy, as this was a key consideration in whether it was safe to build a business on Facebook's operating system. Had Facebook made full disclosures regarding any of its deceptive projects violating user privacy, Plaintiff would not have felt comfortable continuing to invest in building its business as Facebook's privacy failures directly impact Plaintiff in two key ways: (1) Facebook's privacy failures make it extremely difficult for Plaintiff to establish trust with its own customers; (2) Facebook's unfair competitive advantage gained by information obtained in violation of user privacy makes it extremely difficult for Plaintiff to compete on a level playing field. In short, Facebook deliberately and repeatedly undermining its public commitment to user privacy caused substantial harm to Plaintiff's customers and created a risk to Plaintiff's business. Had Plaintiff been aware of the full scope of any of these projects, Plaintiff could not have proceeded in good conscience with building its applications and business on Facebook Platform.

211. Facebook engaged in these deceptive projects in order to obtain information that enabled Facebook to identify and restrict data access to apps on Platform that posed a competitive threat and/or to give its own features an unfair competitive advantage relative to comparable features of other apps on Facebook Platform. Facebook made various misleading partial disclosures of these projects since 2013 but in almost all cases failed to fully disclose material information necessary for Developers and users to evaluate their continued use of Facebook and its Platform. At all times, these projects were undertaken with the direction and approval of Zuckerberg, Cox, Lessin and Olivan. Had Facebook fully disclosed any of these practices, these full disclosures would have been important information to Plaintiff that would have caused it to terminate its relationships with Facebook, as building a business on top of a ticking time bomb of privacy violations would not have been reasonable.

212. Defendants had a duty to speak truthfully and to disclose material information

concerning: its handling of user data in these various projects; its 2009 internal discussions around its decisions not to provide a level competitive playing field; and its 2011 or 2012 decision regarding the anti-competitive Graph API restrictions. This duty arose, *inter alia*, from Defendants' misleading partial disclosures of fact and misinformation made to Plaintiff and other Developers concerning the manner in which Facebook collects, stores and transmits data, including that Facebook maintained the data with respect for user privacy and transmitted it to developers on fair, equal and neutral terms. Defendants' duty to speak truthfully and to disclose material information concerning its handling of user data and its decision to close access to the Graph API also arose from the fact that Plaintiff and Facebook had shared confidential and highly sensitive information containing consumers' private information.

213. Defendants' duty to speak truthfully and to disclose material information concerning its handling of user data and its decision to close access to the Graph API also arose from the fact that Plaintiff and Facebook had entered into a commercial agreement in which Plaintiff each expended significant funds in order to build businesses using data Facebook sent to Plaintiff and gave Plaintiff all rights to use under the Agreement. This Agreement further required that Plaintiff permit Facebook to audit its highly confidential source code and intellectual property.

214. Defendants' duty to speak truthfully and to disclose material information concerning its handling of user data and its decision to close access to the Graph API also arose from the fact that Defendants made public representations around Facebook's management of user data that induced tens of thousands of Developers to build businesses on Facebook Platform for many years, greatly enriching Defendants all while Facebook was actively implementing plans to irreparably damage these Developers' investments.

215. The concealment of material facts by Defendants fraudulently induced Plaintiff to enter into its Agreement with Facebook, as Plaintiff would not have entered into the Agreement if Defendants had disclosed the material facts. At no time did Plaintiff rescind its Agreement with Facebook. Defendants benefited materially from their fraudulent, malicious and oppressive conduct, including but not limited to financial benefits tied to the growth of Facebook and the

1 dramatic reversal of its stock price as a result of restraining competition in a wide range of

2 software markets and weaponizing Facebook Platform to force Developers to build Facebook's

3 new mobile advertising business or risk being shut down.

4 216.   Plaintiff invested considerable capital, labor, time, or effort into developing its

5 technologies in reliance on Facebook's misrepresentations and misleading partial disclosures.

6 217.   Plaintiff's reliance was reasonable because Facebook had consistently made these

7 representations and misleading partial disclosures for seven years and tens of thousands of other

8 Developers also relied on these representations and misleading partial disclosures that Facebook

9 was a responsible steward of privacy and a responsible and fair referee of Facebook Platform, one

10 of the largest software economies globally.

11 218.   Plaintiff's reliance was foreseeable by Facebook as Zuckerberg has publicly stated

12 Facebook's intent was to induce Developers to help generate revenues for Facebook, and

13 Facebook's conduct for seven years was designed to induce such reliance.

14 219.   Plaintiff was injured as a result of its reliance on Facebook's representations and

15 material omissions, which Facebook knew to be false or acted recklessly in representing as true,

16 in an unascertained amount in excess of $25,000.00, to be established according to proof at trial.

17 In taking the actions alleged herein, Defendants acted with fraud, malice and oppression, and in

18 reckless disregard of the rights of Plaintiff.

19 220.   Accordingly, Defendants are liable to Plaintiff for damages.

20 **COUNT III: INTENTIONAL MISREPRESENTATION**

21 **[Against Facebook, Inc., Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar]**

22 221.   Plaintiff re-alleges and repleads the foregoing paragraphs as though set forth fully

23 herein.

24 222.   Defendants clearly and unambiguously represented to Plaintiff from May 2007

25 until at least April 30, 2015 that they were maintaining a fair and neutral operating system for

26 Plaintiff to build software applications, including numerous representations of fact in official

27 statements, announcements, documents and meetings as alleged herein.

28 223.   These representations were made repeatedly by Defendants on many occasions

from May 2007 until at least April 30, 2015, including on the dates and times alleged herein, and in particular in speeches by Zuckerberg and other Facebook employees at the direction of Zuckerberg or one of the other Defendants and in official statements posted on Facebook's website.

224. These representations were false and were made with the intention to induce reliance upon them by Plaintiff and other Developers. Such representations were untrue, because Facebook later claimed that it had retained for itself the right to provide Graph API data on unequal and arbitrary terms, while keeping for itself and its close partners the ability to develop applications that access photos and other valuable data.

225. Defendants knew such representations to be false or made such representations recklessly and without regard for their truth when they made them or directed other Facebook employees to make them.

226. Beginning in 2012, Defendants engaged in conduct and decisions that directly contradicted these representations. Nonetheless, Defendants continued for over two years to make representations they knew to be false or made such representations recklessly and without regard for their truth. Defendants intended for Plaintiff and other Developers to rely on such representations and made such representations either directly to Plaintiff or in public fora with reasonable likelihood that such representations would be obtained by Plaintiff.

227. Defendants had a duty to speak truthfully and to disclose material information regarding their decision to restrict access to data in Facebook Platform arising from Facebook's Agreements with Plaintiff to be a Developer on Facebook Platform and Plaintiff's Agreements to abide by Facebook's policies and procedures, as alleged above.

228. Zuckerberg repeatedly made statements and directed employees to make statements from 2012 on that he knew to be false at the time he made them. Zuckerberg intended for Developers like Plaintiff to rely on such statements in order to induce them to generate revenues for Facebook and to avoid public relations and legal ramifications for Zuckerberg's malicious, oppressive, fraudulent, reckless, negligent and/or anti-competitive conduct.

229. Cox repeatedly made statements and directed employees to make statements from

2012 on that he knew to be false at the time he made them. Cox intended for Developers like Plaintiff to rely on such statements in order to induce them to generate revenues for Facebook and to avoid public relations and legal ramifications for Cox's malicious, oppressive, fraudulent, reckless, negligent and/or anti-competitive conduct.

230. Olivan repeatedly made statements and directed employees to make statements from 2012 on that he knew to be false at the time he made them. Olivan intended for Developers like Plaintiff to rely on such statements in order to induce them to generate revenues for Facebook and to avoid public relations and legal ramifications for Olivan's malicious, oppressive, fraudulent, reckless, negligent and/or anti-competitive conduct.

231. Lessin repeatedly made statements from 2012 on that he knew to be false at the time he made them. Lessin intended for Developers like Plaintiff to rely on such statements in order to induce them to generate revenues for Facebook and to avoid public relations and or legal ramifications for Lessin's malicious, oppressive, fraudulent, reckless, negligent and/or anti-competitive conduct.

232. Vernal repeatedly made statements and directed employees to make statements from 2012 on that he knew to be false at the time he made them. Vernal intended for Developers like Plaintiff to rely on such statements in order to induce them to generate revenues for Facebook and to avoid public relations and legal ramifications for Vernal's malicious, oppressive, fraudulent, reckless, negligent and/or anti-competitive conduct.

233. Sukhar repeatedly made statements and directed employees to make statements from 2012 on that he knew to be false at the time he made them. Sukhar intended for Developers like Plaintiff to rely on such statements in order to induce them to generate revenues for Facebook and to avoid public relations and legal ramifications for Sukhar's malicious, oppressive, fraudulent, reckless, negligent and/or anti-competitive conduct.

234. Facebook's duty to speak truthfully and to disclose material information concerning the closing of access to data also arose from misleading partial disclosures of fact and misinformation made to Plaintiff and other Developers concerning the allegedly fair and equal access to data.

235. Further, upon Zuckerberg's personal instruction, Defendants engaged in a scheme from 2012 until 2015 to intentionally misrepresent critical facts about Facebook Platform and about Zuckerberg's decision to restrict data access on Facebook Platform. If Defendants had not engaged in this scheme to require dozens of employees to intentionally misrepresent material facts, Plaintiff would never have made an investment in the App, and would not have continued to invest in its applications and business on Facebook Platform.

236. Even when Zuckerberg announced the purported closing of the data on April 30, 2014, Zuckerberg still intentionally misrepresented his decision to restrict data access for widely used data in Graph API and only partially revealed misleading material facts while suppressing others, resulting in further investment from Plaintiff and many other Developers. The Defendants actively participated, ratified, served as agents and communicated key components of this intentional misrepresentation in Zuckerberg's announcement.

237. Defendants made these representations in order to induce Developers to build applications that generate revenue for Facebook and to avoid public relations and legal ramifications for their fraudulent, malicious, oppressive and anti-competitive conduct. The Defendants participated, ratified and/or served as agents of Facebook in connection with their material omissions and their actions to conceal material facts from Plaintiff and tens of thousands of other Developers.

238. Defendants benefited materially from their fraudulent, malicious and oppressive conduct, including but not limited to financial benefits tied to the growth of Facebook and the dramatic reversal of its stock price as a result of oligopolizing for Facebook and its close partners the various markets associated with Facebook Platform.

239. Plaintiff invested considerable capital, labor, time or effort into developing its technologies in reliance on Facebook's representations.

240. Plaintiff's reliance was reasonable because Facebook had consistently made public representations as to equal access and a fair playing field in Facebook Platform for seven years and tens of thousands of other Developers also relied on these representations.

241. Plaintiff's reliance was foreseeable by Defendants, as Zuckerberg has publicly

stated his intent in making such statements was to entice Developers to help generate revenues for Facebook. Further, Facebook's conduct for seven years was designed to induce and reinforce such reliance.

242. Plaintiff was injured as a result of its reliance on Facebook's representations and material omissions, which Facebook knew to be false or acted recklessly in representing as true, in an unascertained amount in excess of $25,000.00, to be established according to proof at trial. In taking the actions alleged herein, Defendants acted with fraud, malice and oppression, and in reckless disregard of Plaintiff's rights.

243. Accordingly, Defendants are liable to Plaintiff for damages.

COUNT IV: NEGLIGENT MISREPRESENTATION
[Against Facebook, Inc., Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar]

244. Plaintiff re-alleges and repleads the foregoing paragraphs as though set forth fully herein.

245. Defendants made numerous representations of fact alleged in detail herein. These representations were untrue.

246. Regardless of their actual belief, Defendants must have made those representations without any reasonable ground for believing the representations to be true.

247. Defendants conveyed the representations in a commercial setting for a business purpose, namely inducing Developers to develop applications for Facebook.

248. Defendants made those representations with the intent to induce Developers, including Plaintiff, to develop applications, including the App, that used Graph API data, thereby adding features to Facebook, enhancing Facebook's functionality and user experience, and generating more revenue for Facebook.

249. Zuckerberg repeatedly made statements and directed employees to make statements from 2012 on without any reasonable grounds for believing the representations to be true. Zuckerberg intended for Developers like Plaintiff to rely on such statements in order to induce them to generate revenues for Facebook and to avoid public relations and or legal ramifications for Zuckerberg's malicious, oppressive, fraudulent, reckless, negligent and/or anti-

competitive conduct.

250.   Cox repeatedly made statements and directed employees to make statements from 2012 on without any reasonable grounds for believing the representations to be true. Cox intended for Developers like Plaintiff to rely on such statements in order to induce them to generate revenues for Facebook and to avoid public relations and or legal ramifications for Cox's malicious, oppressive, fraudulent, reckless, negligent and/or anti-competitive conduct.

251.   Olivan repeatedly made statements and directed employees to make statements from 2012 on without any reasonable grounds for believing the representations to be true. Olivan intended for Developers like Plaintiff to rely on such statements in order to induce them to generate revenues for Facebook and to avoid public relations and or legal ramifications for Olivan's malicious, oppressive, fraudulent, reckless, negligent and/or anti-competitive conduct.

252.   Lessin repeatedly made statements and directed employees to make statements from 2012 on without any reasonable grounds for believing the representations to be true. Lessin intended for Developers like Plaintiff to rely on such statements in order to induce them to generate revenues for Facebook and to avoid public relations and or legal ramifications for Lessin's malicious, oppressive, fraudulent, reckless, negligent and/or anti-competitive conduct.

253.   Vernal repeatedly made statements and directed employees to make statements from 2012 on without any reasonable grounds for believing the representations to be true. Vernal intended for Developers like Plaintiff to rely on such statements in order to induce them to generate revenues for Facebook and to avoid public relations and or legal ramifications for Vernal's malicious, oppressive, fraudulent, reckless, negligent and/or anti-competitive conduct.

254.   Sukhar repeatedly made statements and directed employees to make statements from 2012 on without any reasonable grounds for believing the representations to be true. Sukhar intended for Developers like Plaintiff to rely on such statements in order to induce them to generate revenues for Facebook and to avoid public relations and or legal ramifications for Sukhar's malicious, oppressive, fraudulent, reckless, negligent and/or anti-competitive conduct.

255.   Plaintiff was not aware that Defendants' representations were false, and Plaintiff developed their technologies in reliance on the truth of Facebook's representations.

256.   Plaintiff's reliance on the truth of Defendants' representations was justified because Defendants had consistently made these representations for seven years without ever stating that it could prevent Developers from building the specific kinds of applications Facebook was enticing them to build all along.

257.   Plaintiff was injured as a result of its reliance on Defendants' representations, in an unascertained amount in excess of $25,000.00, to be established according to proof at trial.

258.   In taking the actions alleged herein, Defendants acted with fraud, malice and oppression, and in reckless disregard of the rights of Plaintiff.

259.   Accordingly, Defendants are liable to Plaintiff for damages.

COUNT V: INTENTIONAL INTERFERENCE WITH CONTRACT
[Against Facebook, Inc., Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar]

260.   Plaintiff re-alleges and repleads the foregoing paragraphs as though set forth fully herein.

261.   Plaintiff had entered into license agreements, contracts and/or subscriptions with its customers.

262.   Defendants knew of these contracts, license agreements and/or subscriptions.

263.   Defendants intentionally interfered with and disrupted these contracts by managing their Platform as a bait and switch extortion scheme from 2007 through at least 2015, despite knowing that interference with these contracts would be certain or substantially certain to occur.

264.   Defendants further intentionally interfered with and disrupted Plaintiff's contracts with end users when it terminated Plaintiff's access to the Graph API, despite knowing that interference with these contracts would be certain or substantially certain to occur as a result of Defendants' acts in ending Plaintiff's access.

265.   Plaintiff's contracts with users and customers were thereby disrupted by Defendants.

266.   As a result, Plaintiff has suffered and will suffer damage in an unascertained amount in excess of $25,000.00 to be established according to proof at trial.

267.   In taking the actions alleged herein, Defendants acted with fraud, malice and oppression, and in reckless disregard of the rights of Plaintiff.

268.   Accordingly, Defendants are liable to Plaintiff for damages.

COUNT VI: INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC RELATIONS
[Against Facebook, Inc., Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar]

269.   Plaintiff re-alleges and repleads the foregoing paragraphs as though set forth fully herein.

270.   Defendants interfered in the prospective economic relations between Plaintiff and its Apps' users and prospective users in the manner alleged herein.

271.   Because 250,000 Pink Ribbon App users, 17,000 Climate Smart App users, and hundreds of New Year Resolutions App users had entered into contract with Styleform, all of the Facebook friends and connections of these approximately 267,000 customers were prospective customers of Styleform who could enter into contract with Styleform with a single click on a link sent by their friends. Styleform had a reasonable expectation of prospective economic advantage with the Facebook friends and connections of these 267,000 end users. Further, Styleform had economic relationships with the 267,000 end users that could have resulted in prospective economic advantage above and beyond any benefits that had already been reduced to contract.

272.   Beginning by at least 2009 and accelerating in 2011, Facebook began experiencing substantial difficulty transitioning its service from desktop computers to mobile devices. The executive team was extremely concerned around the impact this transition would have on Facebook's revenues, particularly in light of the fact that Facebook was planning an initial public offering (IPO) of its shares around this time. In discussions in 2011 and 2012, Zuckerberg and other members of Facebook's management team, including Lessin, Olivan, Cox, Sandberg, and Bosworth, decided to remove any APIs in Facebook Platform that permitted mobile apps to obtain organic growth, including the Graph API endpoints. Organic growth enabled an app to acquire new users without having to purchase advertising. Facebook built features like the newsfeed APIs and full friends list in order to drive organic growth for Developers and

represented for many years that organic growth was a key reason a developer should build its business on Facebook Platform. Organic growth was primarily achieved through the newsfeed APIs and full friends list, because these APIs let potential new users of an app learn about and download the app from existing users without the app needing to purchase advertisements to reach that new user. Zuckerberg decided to implement the anti-competitive scheme in 2012 not only to restrain competition to make way for new Facebook products but also to hold hostage the tens of thousands of Developers that relied on Facebook Platform for organic growth. By eliminating the full friend list, friend permissions and newsfeed APIs, Zuckerberg placed tens of thousands of Developers in an impossible position: either spend hundreds of thousands of dollars each year buying ads with Facebook's new mobile advertising product or shut down the product or business. For Developers who could afford it, the choice was clear: give in to Zuckerberg's demands, pony up the cash, and stay in business.

273.   Based in significant part upon the representations Defendants made from 2007 until 2014 that Facebook Platform was the most effective organic growth and distribution channel for applications, Plaintiff decided to build its business on Facebook Platform because Facebook represented that any friends of Plaintiff's users were qualified prospective customers who could enter into license agreements with Plaintiff with a single click or tap on a notification from a friend or a post in their newsfeed. There were on the order of millions of friends of the 267,000 end users Styleform had acquired across its three Apps. Therefore, Plaintiff had an objective and reasonable expectation of prospective economic relations with these prospective customers and Defendants interfered with Plaintiff's prospective economic advantage with these customers whenever they decided to hamper or shut down organic growth and distribution channels, which occurred from 2009 through 2015.

274.   The conduct of Defendants was wrongful on a number of independent grounds, including violation of California's Unfair Competition law, the FTC Order, California's False Advertising Law, California's Cartwright Act, and the common law causes of action for intentional misrepresentation, negligent misrepresentation, and concealment.

275.   Defendants knew of Plaintiff's relationships with the users or prospective users of

its Apps, and knew or should have known of the marketing and advertising activities described herein.

276. Defendants intentionally disrupted these relationships from 2009 through 2015. Particularly by 2012, Plaintiff's business was operating entirely on borrowed time with no possibility of obtaining economic advantage with prospective customers and yet Plaintiff had no way of knowing this was the case until at least 2015.

277. Further, Defendants intentionally disrupted these relationships when they decided from 2007 through at least 2015 to fail to provide proper privacy controls for Graph API endpoints.

278. Defendants intentionally disrupted Plaintiff's relationships with users and prospective users when they ended access to Graph API, despite knowing that interference with these relationships would be certain or substantially certain to occur as a result of Facebook's act in ending Plaintiff's access. Facebook employees regularly circulated spreadsheets to Facebook's top executives, including Zuckerberg, identifying Developers that would experience a major business disruption as a result of the changes. Employees passionately urged Facebook executives not to disrupt these businesses, and upon learning that Zuckerberg was not going to change his mind, quit the company or the Platform team in protest.

279. Defendants further intentionally interfered with and disrupted Plaintiff's relationships with its users and prospective users when it did terminate Plaintiff's access on April 30, 2015, despite knowing that interference with these relationships would be certain or substantially certain to occur as a result of Facebook's conduct in ending Plaintiff's access.

280. Plaintiff's relationships with its users and prospective users was thereby disrupted, and will be further disrupted.

281. As a result, Plaintiff suffered damage in an unascertained amount in excess of $25,000.00 to be established according to proof at trial.

282. In taking the actions alleged herein, Defendants acted with fraud, malice and oppression, and in reckless disregard of the rights of Plaintiff.

283. Accordingly, Defendants are liable to Plaintiff for damages.

COUNT VII: NEGLIGENT INTERFERENCE WITH PROSPECTIVE ECONOMIC RELATIONS
[Against Facebook, Inc., Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar]

284.   Plaintiff re-alleges and repleads the foregoing paragraphs as though set forth fully herein.

285.   Defendants interfered in the prospective economic relations between Plaintiff and its Apps' users and prospective users in the manner alleged herein.

286.   Defendants knew of Plaintiff's relationships with the users or prospective users of its Apps, and knew or should have known of the marketing and advertising activities described herein.

287.   Defendants negligently disrupted Plaintiff's relationships with users and prospective users when they ended access to Graph API. Facebook employees regularly circulated spreadsheets to Facebook's top executives, including Zuckerberg, identifying Developers that would experience a major business disruption as a result of the changes. Employees passionately urged Facebook executives not to disrupt these businesses, and upon learning that Zuckerberg was not going to change his mind, quit the company or the Platform team in protest.

288.   Defendants further negligently interfered with and disrupted Plaintiff's relationships with its users and prospective users when it did terminate Plaintiff's access on April 30, 2015, despite knowing that interference with these relationships would be certain or substantially certain to occur as a result of Facebook's conduct in ending Plaintiff's access.

289.   Plaintiff's relationships with its users and prospective users was thereby disrupted, and will be further disrupted.

290.   As a result, Plaintiff suffered damage in an unascertained amount in excess of $25,000.00 to be established according to proof at trial.

291.   In taking the actions alleged herein, Defendants acted with fraud, malice and oppression, and in reckless disregard of the rights of Plaintiff.

292.   Accordingly, Defendants are liable to Plaintiff for damages.

COUNT VIII: VIOLATION OF BUSINESS AND PROFESSIONS CODE §§ 17500
[Against Facebook, Inc., Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar]

293.   Plaintiff re-alleges and repleads the foregoing paragraphs as though set forth fully herein.

294.   Defendants clearly and unambiguously represented to Plaintiff from May 2007 until at least April 30, 2015 that they were maintaining a fair and neutral operating system for Plaintiff to build software applications, including, but not limited to, the specific representations in official statements, announcements, documents and meetings alleged herein, all of which Plaintiff believed and relied upon, along with thousands of other Developers.

295.   Facebook further represented to all users and Developers that Facebook would at all time respect user privacy and pass privacy settings to Developers to ensure Developers could also respect user privacy settings. Facebook's representations to users that their data was secure in its Platform was false and Defendants knew these representations to be false. For instance, from 2007 through 2015 Facebook repeatedly and by design failed to pass a user's privacy settings on a piece of data via its Platform APIs. Moreover, Facebook deliberately took measures to architect its Platform in a manner that would blame Developers for Facebook's own failures and employees who passionately argued against this practice were silenced by Facebook executives.

296.   These representations to users and Developers were made repeatedly by Facebook on many occasions from May 2007 until at least April 30, 2015, including on the dates and times alleged herein, and in particular in speeches by Zuckerberg and other Facebook employees at the direction of Zuckerberg or one of the Defendants and in official statements posted on Facebook's website. These representations were false. Defendants knew such representations to be false or made such representations recklessly and without regard for their truth when they made them or directed other Facebook employees to make them. The representations were made to deceive Plaintiff and any other person who might encounter the representations.

297.   These representations were made to induce Developers to enter into contract with Facebook and to invest considerable time, capital and labor in building applications on Facebook

Platform. Plaintiff invested a substantial sum in the mid six figures in capital and labor building applications on Facebook Platform in reliance on these false representations.

298. These representations were further made to induce Developers to purchase advertising products from Facebook, which Styleform purchased at various times, in reliance on these false representations.

299. As a result, Defendants were unjustly enriched at the expense of Plaintiff in an unascertained amount in excess of $25,000.00 to be established according to proof at trial.

300. In taking the actions alleged herein, Defendants acted with fraud, malice and oppression, and in reckless disregard of the rights of Plaintiff.

301. Accordingly, Defendants are liable to Plaintiff for restitution and/or disgorgement, as well as injunctive relief.

COUNT IX: VIOLATION OF BUSINESS AND PROFESSIONS CODE §§ 16720 [Against Facebook, Inc., Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar]

302. Plaintiff re-alleges and repleads the foregoing paragraphs as though set forth fully herein.

303. From 2007 through at least 2015, Defendants repeatedly represented that its Platform and its various APIs would be offered on neutral, equal and level terms with respect to all Developers, including with respect to Facebook. Defendants further represented that access to APIs and other Platform products would not depend in any way on a company's willingness or agreement to purchase a certain amount of advertising products from Facebook. Thus, for seven years, Defendants represented Platform APIs and advertising products as entirely separate and distinct products that were offered independently to Developers.

304. At least by 2012, Zuckerberg implemented an extortion scheme whereby he required Defendants to provide the Platform API products to certain Developers *only* if the Developers also purchased Facebook's new mobile advertising product. Further, Defendants coerced Developers to purchase Facebook's new mobile advertising product upon threat of being shut off from the Platform API products. At all times while Defendants coerced other Developers

1   under this tying scheme, they continued to falsely represent to the public, government regulators

2   and other prospective buyers that these two product categories were entirely separate and distinct.

3   It was the understanding of Facebook employees who were made aware of this extortion scheme,

4   that Zuckerberg had decided to misrepresent the relationship between these products in order to

5   induce further reliance that would give Facebook more leverage to extort these Developers to

6   participate in the tying scheme.

7   305.   Defendants have sufficient economic power in the market for social platforms and

8   operating systems and the various APIs offered therein because for seven years they represented

9   that the Platform APIs would not be tied to advertising purchases and, as a result, were able to

10   build a dominant position in the market for social software platforms, including being the

11   exclusive and sole provider of the Facebook Platform APIs, such that tens of millions of

12   businesses rely on Facebook Platform and an overwhelming majority of all mobile and web

13   applications globally are connected to Facebook Platform. This immense economic power was

14   sufficient to coerce a significant number of Developers into purchasing mobile ads in order to

15   prevent their products from breaking and their businesses from being shut down. At various times

16   Facebook provided more than 5,000 Developers with special access to Platform APIs that was not

17   provided to other Developers because of their willingness to purchase these advertising products

18   Facebook represented as separate and distinct.

19   306.   The tying arrangement has immensely restrained competition across a wide range

20   of software markets, including messaging apps, professional services apps, utility apps, gifting

21   apps, sharing economy apps, utility apps, file repository apps, payment apps, birthday reminder

22   apps, photo and video apps, calendar apps, lifestyle apps, health and fitness apps, and now dating

23   apps. At least 35,000 apps in operation prior to the tying scheme no longer exist and are therefore

24   unable to purchase any advertising from Facebook, thereby restricting the overall quantity of

25   participants and purchases in the advertising market. This has in fact immensely benefited

26   Facebook's business, because, although the total number of potential customers for its advertising

27   service has decreased, Facebook has been able to extract punitive rents from those Developers

28   who participated in the tying scheme as a result of the fact that these Developers were not only

purchasing advertising, but also purchasing the ability to gain an unfair competitive advantage against other market participants. Thus, restricting the market for Facebook's mobile advertising products has actually increased Facebook's profits in that market.

307. Defendants represented Facebook's Platform APIs and its advertising products as separate and distinct in order to induce Developers to enter into contract with Facebook and to invest considerable time, capital and labor in building applications on Facebook Platform. Plaintiff invested a substantial sum in the mid six figures in capital and labor building applications on Facebook Platform in reliance on these false representations. These representations were further made to induce Developers to purchase advertising products from Facebook, which Styleform purchased at various times, in reliance on these false representations.

308. Further, Styleform engaged in other marketing activities in preparation for its public launches, such as purchasing advertising to test various ad campaigns in Facebook's new mobile advertising product. As a result of Facebook's anti-competitive scheme, Plaintiff was prevented from participating in Facebook's advertising market since the apps could not properly function. Tens of thousands of other Developers were prevented from participating in Facebook's new mobile advertising market as a result of Facebook's anti-competitive scheme.

309. As a result, Plaintiff suffered damage in an unascertained amount in excess of $25,000.00 to be established according to proof at trial.

310. In taking the actions alleged herein, Defendants acted with fraud, malice and oppression, and in reckless disregard of the rights of Plaintiff.

311. Accordingly, Defendants are liable to Plaintiff for damages.

COUNT X: VIOLATION OF BUSINESS AND PROFESSIONS CODE §§ 17200
[Against Facebook, Inc., Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar]

312. Plaintiff re-alleges and repleads the foregoing paragraphs as though set forth fully herein.

313. Defendants' representations and conduct were designed to, and did, entice Plaintiff and other Developers to create applications for Facebook with representations of, among other things, a level playing field, fair competition, and a chance to build a business. Facebook decided

to open Graph API and certain types of data, and not others, precisely to induce Developers to build certain types of applications, including Styleform's philanthropy-based applications regarding cancer awareness and climate change. Defendants represented to Developers that their applications would be treated on a level playing field with any applications Facebook decided to launch in the future. Defendants also represented to developers that Facebook was committed over the long term to enable Developers to build businesses using their Facebook applications.

314. Defendants caused substantial harm to Plaintiff and other Developers when it then decided to leverage its Platform as a weapon in various bait and switch schemes from 2009 to 2011, 2012 to 2015 and again in 2018 in response to the Cambridge Analytica data crisis. Defendants baited, extorted and then eliminated many Developers under a privacy narrative that Facebook executives knew to be false when it was, in fact, Facebook itself who made it extremely difficult for Developers to adhere to user privacy settings by willfully failing to pass privacy settings to Developers in its APIs.

315. The efforts by Plaintiff and other Developers helped to drive user adoption of Facebook by enhancing the user experience, increase users' time on Facebook, and create additional advertising for Facebook, thus creating substantial additional revenue and user growth for Facebook's benefit.

316. Defendants' decision to restrict access to Graph API data does not enhance user privacy because and control because the privacy issues with Facebook Platform do not stem from the ability of users to control their data and take their data to other applications, but rather from Facebook's own decision as early as 2007 and continuing through 2018 to fabricate the consent of these users by (1) hiding the privacy settings for what data their friends can access about them in apps other than Facebook; (2) setting the sharing default to "on"; and (3) failing to pass privacy settings when transmitting data over its APIs.

317. By restricting access to Graph API, Facebook has oligopolized for itself and other large Developers that entered into special agreements with Facebook the ability to create applications competitive with those developed by Plaintiff and thousands of other Developers, which harms consumers, Developers, and competition with no countervailing benefit.

318. The harm to Plaintiff and other Developers by Defendants' representations and conduct outweighs the purported reasons, justifications, or motives for the representations and conduct by Facebook. Facebook's conduct was fraudulent and intended to deceive members of the public, including consumers, government regulators and Developers. Defendants' conduct alleged herein constitutes violations of common law tort and fraud, statutory fraud, the FTC Order, California's False Advertising Law, and California's Cartwright Act.

319. Plaintiff could not have reasonably avoided injury because Defendants notified Plaintiff it would be restricting data access only after Plaintiff had made considerable investment and Facebook had approved its Apps.

320. Defendants' decision to restrict Graph API data and provide it on unequal terms was also unlawful.

321. Defendants' decision to induce Plaintiff to invest in building its Apps on top of Graph API when Facebook was restricting access to Graph API and extorting Developers due to their reliance on Graph API was also unlawful.

322. Defendants' actions thus constitute business practices in violation of California's Unfair Competition Act, Bus. & Prof. Code § 17200.

323. As a result of their acts and omissions that constituted violations of California's Unfair Competition Act, Bus. & Prof. Code § 17200, Defendants have been unjustly enriched.

324. In taking the actions alleged herein, Facebook acted with fraud, malice and oppression, and in reckless disregard of the rights of Plaintiff.

325. Plaintiff suffered substantial injury as a result of Facebook's actions, including the loss of investment of time and money in developing its Apps, the loss of enterprise value and the loss of future profits, in amounts to be determined at trial.

326. As a further proximate result of the acts and conduct of Facebook herein alleged, Plaintiff has found it necessary to engage attorneys, and incur attorney's fees, and will continue to incur attorney's fees, in an unascertained amount to be established according to proof following the conclusion of trial.

327.   Thus, Defendants were unjustly enriched at the expense of Plaintiff in an

unascertained amount in excess of $25,000.00 to be established according to proof at trial.

328.   Accordingly, Defendants are liable to Plaintiff for restitution and/or disgorgement,

as well as injunctive relief.

JURY TRIAL DEMAND

Plaintiff demands a trial by jury on all claims so triable.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff asks this Court to enter judgment against Defendants Facebook,

Inc., Facebook Ireland Ltd., Mark Zuckerberg, Christopher Cox, Javier Olivan, Samuel Lessin,

Michael Vernal and Ilya Sukhar as follows:

A.   A judgment or order declaring the conduct of Defendants Facebook, Inc. and

Facebook Ireland Ltd., as alleged, constitutes breach of contract;

B.   A judgment or order declaring that the conduct of Defendants Facebook, Inc.,

Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar, as alleged, constitutes concealment;

C.   A judgment or order declaring that the conduct of Defendants Facebook, Inc.,

Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar, as alleged, constitutes intentional

misrepresentation;

D.   A judgment or order declaring that the conduct of Defendants Facebook, Inc.,

Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar, as alleged, constitutes negligent

misrepresentation;

E.   A judgment or order declaring that the conduct of Defendants Facebook, Inc.,

Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar, as alleged, constitutes intentional

interference with contract;

F.   A judgment or order declaring that the conduct of Defendants Facebook, Inc.,

Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar, as alleged, constitutes intentional

interference with prospective economic relations;

G.   A judgment or order declaring that the conduct of Defendants Facebook, Inc.,

Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar, as alleged, constitutes negligent

interference with prospective business relations;

H. A judgment or order declaring that the conduct of Defendants Facebook, Inc., Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar, as alleged, violates California's False Advertising Law;

I. A judgment or order declaring that the conduct of Defendants Facebook, Inc., Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar, as alleged, violates California's Cartwright Act;

A. A judgment or order declaring the conduct of Defendants Facebook, Inc., Zuckerberg, Cox, Olivan, Lessin, Vernal and Sukhar, as alleged, unlawful under California's Unfair Competition Law;

B. A judgment, order, or award of damages adequate to compensate Plaintiff;

C. A permanent injunction requiring Defendants Facebook, Inc., Zuckerberg, Cox and Olivan to: (1) restore the Graph API and enable users to fully control data access on Facebook and on third party applications; (2) implement proper privacy controls and measures in Facebook Platform to comply with the FTC Order, including (a) passing privacy settings for all Graph API v1.0 endpoints, (b) ceasing the practice of hiding the Apps Others Use privacy controls to create a single set of clear and consistent privacy controls, and (c) set the default sharing control to "off" rather than to "on"; (3) cease all projects in which Facebook fabricates the consent of users in order to access data they have not explicitly consented to sharing with Facebook, which harms all Developers and consumers who rely on Facebook and violates GDPR and California privacy law; (4) cease all App Review or Unified Review activities; and (5) cease all practices or occurrences on Facebook Platform where access to any product, free or paid, is predicated upon any other action or the delivery of any consideration which has not been published to all market participants in an arms-length transaction at standard public pricing terms.

D. A permanent injunction prohibiting Defendants Facebook, Zuckerberg, Cox and Olivan from interfering with Plaintiff's contracts and those of any other Developer;

E.   A permanent injunction prohibiting Defendants Facebook, Zuckerberg, Cox and Olivan from interfering with Plaintiff's prospective economic relations and those of any other Developer;

F.   An award of Plaintiff's reasonable attorneys' fees and costs;

G.   Punitive damages and/or treble damages as provided by applicable law; and

H.   Such other further relief as this Court or a jury may deem proper and just.

DATED: November 2, 2018   GROSS & KLEIN LLP

By: _____
      Stuart G. Gross

Attorneys for Plaintiff Styleform IT

EXHIBIT 1

f8 Event and Facebook Platform FAQ

What is f8?
f8 was an event held at the San Francisco Design Center on May 24, 2007, during which Mark Zuckerberg unveiled the next evolution of Facebook Platform. The event included an eight-hour "hackathon," where both Facebook engineers and outside developers collaborated on building new applications on the new Facebook Platform.

What is a "hackathon"?
A hackathon is an all-night coding event during which Facebook engineers work on any project that interests them. Facebook uses the word "hackathon" to refer to a gathering of engineers, who possess technical expertise and collaborate on innovative projects. Facebook has a tradition of holding frequent developer hackathons, which have spawned some of the most popular features and applications on the site.

What is Facebook Platform?
Facebook Platform is a development system that enables companies and developers to build applications for the Facebook website, where all of Facebook's 24 million active users can interact with them. Facebook Platform offers deep integration into the Facebook website, distribution through the social graph and an opportunity to build a business.

What is the social graph?
The social graph is at the core of Facebook. It is the network of connections and relationships between people on Facebook and enables the efficient spreading and filtering of information. Just as people share information with their friends and the people around them in the real world, these connections are reflected online in the Facebook social graph.

What is a Facebook application?
A Facebook application uses Facebook Platform to access information from the social graph, offering users an experience that's relevant to them. Facebook applications can plug into the Facebook website in a number of ways: applications can be embedded on users' profile pages, reside on their own separate pages (called "canvas" pages), or live through desktop applications using data from the Facebook social graph.

What's new in Facebook Platform?
We've been adding functionality since Facebook Platform first shipped in beta in August 2006. With the latest evolution of Facebook Platform however, third-party developers can now create applications on the Facebook site with the same level of integration as applications built by internal Facebook developers. Now developers everywhere have the ability to create Facebook applications that deeply integrate into the Facebook site, as well as the potential for mass distribution through the social graph and new business opportunities.

Why did Facebook launch Facebook Platform?
Our engineers have created great applications for Facebook, but we recognized that third-party developers can help us make Facebook an even more powerful social utility. Facebook Platform gives developers everywhere the tools to create applications that we just wouldn't have the resources to build in-house, and those applications make Facebook an even better way for our users to exchange information. Developers also benefit from Facebook Platform as it gives them the potential to broadly distribute their applications and even build new business opportunities.

What kinds of applications can be built on Facebook Platform?
The kinds of applications developers can build on Facebook Platform are limited only by their imaginations. Because applications are based on the Facebook social graph they can be more relevant to users, keeping people in touch with what and whom they care about. We've already seen a variety of applications built by our developer partners, including those for sharing media files, book reviews, slideshows and more. Some of the

possibilities of Facebook applications are illustrated in the Facebook Platform Application Directory, available at http://www.facebook.com/apps.

Are there any restrictions on what developers can build?
Developers are encouraged to exercise their creativity when building applications. Of course, all applications are subject to the Terms of Service that every developer agrees to, which include basic requirements such as not storing any sensitive user information, not creating any offensive or illegal applications, and not building anything that phishes or spams users. And users will always have the power to report any applications that compromise Facebook's trusted environment, keeping our users' information safe.

What are the benefits of Facebook Platform for users?
With Facebook Platform, users gain the ability to define their experience on Facebook by choosing applications that are useful and relevant to them. Now that they have access to a virtually limitless set of applications from outside developers, users have an unprecedented amount of choice. They can share information and communicate with their trusted connections in ways that would never have been possible before Facebook opened its platform.

How do users add applications to and remove applications from their account?
If a user sees an application she likes on a friend's profile, she can add it to her account by clicking the "Add" link on the application's profile box. She can also add new applications by navigating to the application's specific page in the Facebook Platform Application Directory and clicking "Add Application" in the top-right corner. To remove an application, she first clicks "Applications" on the left navigation bar. From there, she can "Remove" any of the applications in her account, whether they are built by a developer partner or by Facebook.

What are the privacy controls for Facebook Platform, and what kind of user information can be shared?
On Facebook, users are always in control of their information and can choose how much of their information is made available to specific applications. With Facebook Platform, we're offering additional privacy controls and requiring that third parties treat user information with the same respect we do—and our users have come to expect. Users can also choose to completely opt out of making their data available through Facebook Platform. Applications can never violate users' basic privacy settings and are meant to provide users with a better opportunity to share their information with their friends and networks.

What do third-party applications do with user information?
Applications built by third parties are required to respect Facebook users' privacy preferences. Third-party applications allow users and their friends to share information in new ways, without affecting the security and privacy that they've always enjoyed on Facebook.

How many applications are there for Facebook Platform?
At f8, we are launching with over 85 applications from more than 65 developer partners, and that's only the beginning. We're encouraging interested developers everywhere to create Facebook applications. We have no limits on the number of applications that can be created.

What differentiates Facebook applications from widgets on other sites?
Facebook applications are deeply integrated into the site and take advantage of the network of real connections through which users share information and communicate—what we call the "social graph." Widgets are typically single-purpose Flash add-ons to a web page (i.e, displaying a single video) that are not fully integrated into a site nor are aware of the social context among users.

How will Facebook maintain its minimalist style if users can add and move applications around on their profile?
We're giving our users the choice to add applications and control their placement in their profiles, but we're not changing the essential layout and familiar style of the Facebook site. Facebook applications are focused on providing new ways to spread information on Facebook, not about redesigning the way a profile looks. For example, users will not be able to change the site background, add music that plays when their profiles load, or

insert animation into their profiles. Individual applications may play media, music or animations but only when a visitor to that profile interacts with them.

How will Facebook deal with applications that compete with one another or even compete with Facebook-built applications?
We welcome developers with competing applications, including developers whose applications might compete with Facebook-built applications. Many applications are likely to offer similar features. We've designed Facebook Platform so that applications from third-party developers are on a level playing field with applications built by Facebook. Ultimately, our users will decide which applications they find most useful, and it is these applications that will become the most popular.

How will Facebook monetize Facebook Platform?
All the great applications built by our developer partners provide a service to our users and strengthen the social graph. The result is even more engaged Facebook users creating more advertising opportunities.

Can Facebook applications include ads?
We want to enable developers to build a business on their Facebook applications, so we're giving developers the freedom to monetize their applications as they like. Developers can include advertising on their applications' canvas pages, though no advertising will be allowed within the application boxes that appear within user profiles.

Are you going to share revenue with developers?
While revenue sharing is not available at launch, we are looking into ways to share advertising revenue with developers. This version of Facebook Platform already lets developers monetize their applications as they like, whether they choose to offer it for free or build a business on their application.

What are the key technical elements of Facebook Platform?
Facebook Platform offers several technologies that help developers use data from the social graph. In addition to the Facebook API, this recently launched version of Facebook Platform introduces Facebook Markup Language (FBML), which enables developers to build applications that deeply integrate into the Facebook site. Facebook Platform also includes Facebook Query Language (FQL), which lets developers use a SQL-style interface to query the data they can access through the API.

For more details on the technology behind Facebook Platform, check out the Facebook Developer site at http://developers.facebook.com.

#

CM-010

ATTORNEY OR PARTY WITHOUT ATTORNEY *(Name, State Bar number, and address):*
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ATTORNEY FOR *(Name):* Plaintiff Styleform IT

SUPERIOR COURT OF CALIFORNIA, COUNTY OF San Francisco
STREET ADDRESS: 400 McAllister Street
MAILING ADDRESS:
CITY AND ZIP CODE: San Francisco, CA 94102
BRANCH NAME:

CASE NAME:
Styleform IT v. Facebook, Inc., et al.

CIVIL CASE COVER SHEET	Complex Case Designation	CASE NUMBER: CGC-18-571075
☑ Unlimited (Amount demanded exceeds $25,000) ☐ Limited (Amount demanded is $25,000 or less)	☐ Counter ☐ Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)	JUDGE: DEPT:

Items 1–6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort
☐ Auto (22)
☐ Uninsured motorist (46)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort
☐ Asbestos (04)
☐ Product liability (24)
☐ Medical malpractice (45)
☐ Other PI/PD/WD (23)

Non-PI/PD/WD (Other) Tort
☐ Business tort/unfair business practice (07)
☐ Civil rights (08)
☐ Defamation (13)
☐ Fraud (16)
☐ Intellectual property (19)
☐ Professional negligence (25)
☐ Other non-PI/PD/WD tort (35)

Employment
☐ Wrongful termination (36)
☐ Other employment (15)

Contract
☐ Breach of contract/warranty (06)
☐ Rule 3.740 collections (09)
☐ Other collections (09)
☐ Insurance coverage (18)
☐ Other contract (37)

Real Property
☐ Eminent domain/Inverse condemnation (14)
☐ Wrongful eviction (33)
☐ Other real property (26)

Unlawful Detainer
☐ Commercial (31)
☐ Residential (32)
☐ Drugs (38)

Judicial Review
☐ Asset forfeiture (05)
☐ Petition re: arbitration award (11)
☐ Writ of mandate (02)
☐ Other judicial review (39)

Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400–3.403)
☑ Antitrust/Trade regulation (03)
☐ Construction defect (10)
☐ Mass tort (40)
☐ Securities litigation (28)
☐ Environmental/Toxic tort (30)
☐ Insurance coverage claims arising from the above listed provisionally complex case types (41)

Enforcement of Judgment
☐ Enforcement of judgment (20)

Miscellaneous Civil Complaint
☐ RICO (27)
☐ Other complaint *(not specified above)* (42)

Miscellaneous Civil Petition
☐ Partnership and corporate governance (21)
☐ Other petition *(not specified above)* (43)

2. This case ☑ is ☐ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
   a. ☐ Large number of separately represented parties
   b. ☑ Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve
   c. ☑ Substantial amount of documentary evidence
   d. ☑ Large number of witnesses
   e. ☑ Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
   f. ☐ Substantial postjudgment judicial supervision

3. Remedies sought *(check all that apply):* a. ☑ monetary b. ☑ nonmonetary; declaratory or injunctive relief c. ☑ punitive
4. Number of causes of action *(specify):* 10
5. This case ☐ is ☑ is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. *(You may use form CM-015.)*

Date: November 2, 2018

Stuart G. Gross
_____
(TYPE OR PRINT NAME)   (SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

BY FAX
ONE LEGAL LLC

NOTICE
• Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
• File this cover sheet in addition to any cover sheet required by local court rule.
• If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
• Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you **must** complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check **one** box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary** cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than $25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Auto Tort
Auto (22)–Personal Injury/Property
    Damage/Wrongful Death
Uninsured Motorist (46) (*if the
    case involves an uninsured
    motorist claim subject to
    arbitration, check this item
    instead of Auto*)

Other PI/PD/WD (Personal Injury/
Property Damage/Wrongful Death)
Tort
Asbestos (04)
    Asbestos Property Damage
    Asbestos Personal Injury/
        Wrongful Death
Product Liability (*not asbestos or
    toxic/environmental*) (24)
Medical Malpractice (45)
    Medical Malpractice–
        Physicians & Surgeons
    Other Professional Health Care
        Malpractice
Other PI/PD/WD (23)
    Premises Liability (e.g., slip
        and fall)
    Intentional Bodily Injury/PD/WD
        (e.g., assault, vandalism)
    Intentional Infliction of
        Emotional Distress
    Negligent Infliction of
        Emotional Distress
    Other PI/PD/WD

Non-PI/PD/WD (Other) Tort
Business Tort/Unfair Business
    Practice (07)
Civil Rights (e.g., discrimination,
    false arrest) (*not civil
    harassment*) (08)
Defamation (e.g., slander, libel)
    (13)
Fraud (16)
Intellectual Property (19)
Professional Negligence (25)
    Legal Malpractice
    Other Professional Malpractice
        (*not medical or legal*)
Other Non-PI/PD/WD Tort (35)

Employment
Wrongful Termination (36)
Other Employment (15)

Contract
Breach of Contract/Warranty (06)
    Breach of Rental/Lease
        Contract (*not unlawful detainer
        or wrongful eviction*)
    Contract/Warranty Breach–Seller
        Plaintiff (*not fraud or negligence*)
    Negligent Breach of Contract/
        Warranty
    Other Breach of Contract/Warranty
Collections (e.g., money owed, open
    book accounts) (09)
    Collection Case–Seller Plaintiff
    Other Promissory Note/Collections
        Case
Insurance Coverage (*not provisionally
    complex*) (18)
    Auto Subrogation
    Other Coverage
Other Contract (37)
    Contractual Fraud
    Other Contract Dispute

Real Property
Eminent Domain/Inverse
    Condemnation (14)
Wrongful Eviction (33)
Other Real Property (e.g., quiet title) (26)
    Writ of Possession of Real Property
    Mortgage Foreclosure
    Quiet Title
    Other Real Property (*not eminent
    domain, landlord/tenant, or
    foreclosure*)

Unlawful Detainer
Commercial (31)
Residential (32)
Drugs (38) (*if the case involves illegal
    drugs, check this item; otherwise,
    report as Commercial or Residential*)

Judicial Review
Asset Forfeiture (05)
Petition Re: Arbitration Award (11)
Writ of Mandate (02)
    Writ–Administrative Mandamus
    Writ–Mandamus on Limited Court
        Case Matter
    Writ–Other Limited Court Case
        Review
Other Judicial Review (39)
    Review of Health Officer Order
    Notice of Appeal–Labor
        Commissioner Appeals

Provisionally Complex Civil Litigation (Cal.
Rules of Court Rules 3.400–3.403)
Antitrust/Trade Regulation (03)
Construction Defect (10)
Claims Involving Mass Tort (40)
Securities Litigation (28)
Environmental/Toxic Tort (30)
Insurance Coverage Claims
    (*arising from provisionally complex
    case type listed above*) (41)

Enforcement of Judgment
Enforcement of Judgment (20)
    Abstract of Judgment (Out of
        County)
    Confession of Judgment (*non-
        domestic relations*)
    Sister State Judgment
    Administrative Agency Award
        (*not unpaid taxes*)
    Petition/Certification of Entry of
        Judgment on Unpaid Taxes
    Other Enforcement of Judgment
        Case

Miscellaneous Civil Complaint
RICO (27)
Other Complaint (*not specified
    above*) (42)
    Declaratory Relief Only
    Injunctive Relief Only (*non-
        harassment*)
    Mechanics Lien
    Other Commercial Complaint
        Case (*non-tort/non-complex*)
    Other Civil Complaint
        (*non-tort/non-complex*)

Miscellaneous Civil Petition
Partnership and Corporate
    Governance (21)
Other Petition (*not specified
    above*) (43)
    Civil Harassment
    Workplace Violence
    Elder/Dependent Adult
        Abuse
    Election Contest
    Petition for Name Change
    Petition for Relief From Late
        Claim
    Other Civil Petition